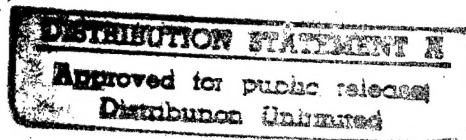


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17 August 1983

NEAR EAST/SOUTH ASIA REPORT

No. 2804

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COMPETITIVENESS OF GULF INDUSTRY DISCUSSED

Paris AL-MUSTAQBAL in Arabic No 329, 11 Jun 83 pp 43-44

[Article: "Who Is Behind the Campaign of Casting Doubt on the Gulf's Industries? In the Sea of Campaigns To Cast Doubt on Gulf's Industries, Gulf Officials Reply That These Industries Can Compete in Open Market"]

[Text] At the start of last year, while work was being inaugurated at some huge petrochemical complexes, the Saudi minister of industry and electricity, Dr Ghazi al-Qusaybi, attacked those who were casting doubt on Saudi industry, accusing some of these 'trumpets' of wanting to create by means of their activity a feeling of doubt among investors in the Gulf concerning industrial investment.

At that time, Dr al-Qusaybi was replying to reports issued by some large industrial companies which said that the huge Saudi petrochemical complexes, which are thought to have cost more than \$22 billion, would not, when completed, be able to export more than 4 million tons of chemicals yearly.

For some time, the general secretary of the Gulf Organization for Industrial Consultations, Dr 'Abdallah al-Mu'ajjal, has accused the industrial countries of conspiring against industry in the Gulf states by casting doubt on them, despite the fact that the Gulf industries have achieved excellent success in the last ten years. In this regard, he points out that the cause of this campaign of doubt is that the Gulf states are acquiring the most modern means of production, which have not been brought into use yet in the factories of Europe or even of Japan, a factor which may make stiff competition for the European industries.

At a conference held last week, the doubt-casting campaigns returned to the fore once again. Gulf officials, among them the Bahraini minister of industry, Mr Ahmad Yusuf al-Shirawi, confronted these attacks with objectivity, dealing with Gulf industry, its attributes and its responsibilities.

Among the points raised by the doubters are:

- 1) The cost of setting up an industrial project in the Gulf states exceeds the cost of doing so in the industrial countries by 30 to 40 percent, a factor which is reflected in higher prices for the products.

- 2) Gulf industry compensates for a great lack of manpower by importing workers from abroad, which in turn does not let the countries of the Gulf benefit as they ought to from the value added by industry.
- 3) Gulf industry uses desalinated water in large quantities. It is well known that the cost of desalination is high, but this water is provided at low cost, with the Gulf states bearing a large share of the real cost.
- 4) Gulf industry benefits from low energy prices, be it electricity or the derivative, meaning that the cost of manufacturing is false to a large degree, in comparison with the cost of manufacturing in the countries of Europe, for example.
- 5) The great lack of technology means that Gulf industry is isolated from developments in the area of productivity and incapable of generating the inventions which develop the product in its essence and shape.
- 6) The difficult climatic circumstances in the Gulf states do not permit a large number of industries to be set up. Furthermore, they compel the Gulf states to spend huge sums on cooling and other such things.
- 7) Industrial projects in the Gulf suffer from a lack of industrial management and the arts of local and world marketing.

The Gulf delegation to the conference did not deny the existence of "large-scale" difficulties in the path of industrial growth, but admitted to a large number of them. However, at the same time it made clear that there were some exaggerations. For example:

- 1) It is natural that the cost of setting up an industrial project in the Gulf states should be higher than doing so in the industrial states, due to reasons having to do with transportation and construction costs, etc. The Gulf states do not differ in this regard from the rest of the developing countries, which in fact suffer from the same problem. However, this fact may perhaps propel the Arab states forward together in the direction of taking technology in and putting it to work in the service of industry. This in turn will lower the cost of setting up factories. To a certain extent, the high cost of importing factories is compensated for by the facilities which the investor acquires in the form of free land, loans granted at easy terms and tax exemptions, all things not abundantly available in the industrial countries.
- 2) The lack of manpower is considered a difficult problem. However, it is alleviated by the fact that the Gulf states follow a policy of importing highly complete factories. At any rate, studies exist showing that the cost of labor in the Gulf is less than the cost of labor in the European countries in some industrial areas, the most important being light industries.
- 3) The lack of water is one of the real impediments which the Gulf states are working to counteract. However, there is no direct link between the cost of water and the cost of the good.

4) Low energy prices are considered essential for Gulf industry at this stage of its development. Moreover, it ought to be pointed out that the industries of the advanced countries benefitted for a long time (exceeding half a century) from trifling energy prices due to the plundering of the oil and raw materials of Third World countries, so that it was said in the 1970's that the economies of the industrial countries were built on cheap energy prices. Any any rate, this factor can be easily controlled.

5) The Gulf states are trying to make up for the great lack of technology by encouraging their citizens to develop technology and to practice scientific research. In fact, the Petroleum and Minerals University and the Kuwaiti Institute for Scientific Research have achieved considerable successes on the level of technology development and putting it to work in the service of industry. It is expected that the Gulf scientific research institutes will play a larger role in the future.

6) The criticism aimed at the petrochemical industries set up in Saudi Arabia and the other Gulf countries does not rest on scientific foundations. Perhaps these industries are the only ones possessed of real benefit, since they are based on abundantly present raw materials: natural gas and petroleum. Their closeness to the oil wells means heavy transportation costs can be avoided. Then there is the connection between marketing the products of this industry and marketing the oil and natural gas. Beyond all that, this industry is the only alternative to burning the natural gas that rises out of the wells and so wasting it.

If Saudi production of petrochemicals creates a lot of competition for similar Western industry, the best thing would be for the West to abandon this type of industry and enter into technological participation in industries of this type in the oil-producing countries. This is the best model to follow. Moreover, there is no fear of the Gulf's petrochemical products selling badly as long as the Gulf states have a wide margin in which to maneuver in the area of setting the cost and price.

7) Most industrial countries impose tariff protection on their industrial products at a time when Saudi Arabia does no such thing for its industries, while the other Gulf states have a protection rate of not more than 15 percent. Therefore, Gulf industries, despite important difficulties, have been able to demonstrate a considerable competitive ability in open markets. There is no doubt that their development in the future will enable them to overcome the barriers in their way, the main one of which is the absence of modern industrial administration, in addition to a lack of productivity and of workers. This will firmly implant the concepts of production in the societies of the Gulf.

It ought to be noted that the Gulf industries have been singled out as part of an old campaign waged by the international oil companies against petrochemical and refining projects in the OPEC countries. This campaign reached its height at the start of the year when the American company Dow Chemical withdrew from a huge Saudi petrochemical project designed to produce polyethylene, with the excuse that circumstances in the world market would be terrible in 1985, although Saudi Arabia's share of world petrochemical output will not exceed 4 percent.

As concerns refined output, the international oil companies think that the oil producing countries will quarrel among themselves concerning the marketing of refined products to such an extent that the prices of such products will be far less than the price of the crude oil equivalent, thus putting a new burden on the price of oil. However, the oil countries think that no matter how low the prices of derivatives go, they will continue to be more profitable than the exporting of crude oil.

12224

CSO: 4404/452

CONFERENCE EXAMINES PIRACY IN GULF WATERS

Paris AL-MUSTAQBAL in Arabic No 324, 7 May 83 pp 49-50

[Article: "Sea Piracy Discussed at Gulf Conference: The Victims of Deception on the Seas Are Gulf Residents"]

[Text] The sea pirates have not died out; rather, their activity is expanding to include falsifying freight manifests and bills of lading and even sinking ship and cargo, with the insurance companies having to pay for the losses!

Sea piracy and deception were the main topic last week at a large maritime conference held in Kuwait and called by the United Arab Shipping Company, which is owned by six Gulf states and the Gulf chambers of commerce. Participating in the conference were Arab and Gulf shipping companies, as well as international shipping organizations and maritime experts from all parts of the world, not to mention bankers and the representatives of world-wide and local insurance companies.

The primary goal of the conference was to arrive at conclusions and recommendations to be adopted by the states and international organizations with the goal of putting a stop to the acts of piracy and deception which last year cost the insurance companies about 105 million pounds sterling, with the victims of these acts being Arab and Gulf traders. What is this piracy or deception and how do they occur on the high sea?

One of the most prominent of the studies presented at the conference dealt with the legal aspects of fraud on the seas and sea piracy. It was done by Dr Yusuf 'Attari, legal counsel to the United Arab Shipping Company, and it throws light on the ways of piracy and fraud, as well as relating some crucial facts.

Dr al-'Attari says in his study, "Recent times have noticeably witnessed violations and transgressions of the most basic rules and ethical principles of sea transport, since it is a fertile area for acts of cheating falsification, plundering and piracy which have as their victims traders and importers, especially traders from the Arab Gulf region, with the trader losing all that he has been able to gain during the years of his life in a single trading operation. The cost of these sea crimes, which has been borne by the world

insurance market, has been estimated at 110 million pounds sterling per year, according to reports by Lloyds of London. The reason for paying out such sums is essentially the difficulty of proving a sea crime, especially in cases of intentional sinking, burning, etc. The Arab countries, especially the Gulf countries among them, have taken the lion's share, a fact which has induced the countries, companies, ship registration and classification associations, societies and associations of protection and compensation, specialized international organizations, government institutions, etc., to look for sufficient means to do away with this phenomenon, which has come to threaten their foreign trade. Even if it cannot be eliminated, means must still be found to limit its harmful effects, especially since the recurrent incidents of this nature have gone beyond the traditional concept of sea piracy, while their nature and effects are such that they necessitate the taking of realistic steps, measures and actions which any one party would be unable to take by itself. This means interdependent efforts which include all concerned parties and interests are necessary. Therefore, this problem has come up at numerous meetings and conferences with the goal of arriving at a number of measures and steps which can prevent the phenomenon of sea fraud and sea piracy from occurring.

We must distinguish between the types of deception. The first type is called in the English language "fraud," by which is meant trickery, deception, deceit, swindling, and false claims used by an individual to delude others in order for him to take that which he has no right to, or that which he cannot get by legal means. Then there is another type, which is referred to by the term "piracy" in the English language. It means thievery on the sea, and includes using violence and compulsion to gain possession of money and goods which are being transported by sea. This type was dealt with through the Law of the Sea conference held in 1958, since the Geneva Agreement on the High Seas of 1958 included a number of clauses which had to do with this problem.

As for the first type of deception, we can refer to it metaphorically as "documentation fraud," and that is when a contract is made in the usual way, that is, by buying and selling goods on a delayed payment basis via dependence on a document known as a "letter of credit." Payment takes place on the basis of presentation of the documents for all the goods or portions thereof which represent the various cargoes, in return for payment of the goods' price. In cases of documentation fraud, some or all of these documents are forged. The purpose of the forgery is to conceal the fact that there are no goods, or that the goods which are there are not on the level on which the contract between the buyer and the seller was made.

Fraud can take place by changing the name of the ship, by announcing the loss of the goods and then selling them, or by changing the port at which the ship is to be unloaded and heading in another direction. The most prominent example of this sort of thing is offered by the ship "Betty," which changed its name to "Star Five" on 27 August 1979, and then to "Anis," with part of its cargo, which consisted of building materials belonging to merchants in Saudi Arabia and railroad ties belonging to importers in Iraq being sold. The Ship's owners said a breakdown had occurred in the engines to the south of Crete. The ship

docked at the Greek port of Piraeus for repairs. While there, it was sold by its Cypriot owner to another Cypriot company, so that its name changed to Star Five. It then headed illegally toward the Lebanese coast, breaking off from its line of travel. After leaving the Lebanese coast, it headed for the port of Piraeus again, arriving there on 13 October 1979 with the name "Anis," and the port authorities detained it. As a result of this, the ship lost all indicators of ownership and name, making it difficult to recognize. It is as if the ship were skilled at disguising itself and fled from pursuit so as to commit another crime, and so on.

There is another type of fraud: willfully disposing of the vessel, with the goal of collecting the insurance money which is supposed to cover the ship's hull, in addition to benefitting from its cargo by selling the same in a port. The parties to such an operation are usually the ship's owner, working hand in hand with the captain and crew of the ship to sink it. The best example of something like this is offered by the huge oil tanker "Salim," which went down near the coast of West Africa on 17 February 1980. The insurance coverage on its hull was \$24 million, while the coverage on its cargo of crude oil was \$60 million.

The falsification of cargo manifests and bills of lading is one of the most prominent of maritime fraud operations undertaken by the exporters of goods against traders and importers. These latter are offered goods at very tempting prices which encourage them to sign the contract and buy, despite the absence of any goods at all to begin with. The deception might take place by shipping the goods on a rented ship on a one-way voyage, which then enables the vessel to get lost at sea in accordance with its deceptive plan, and so to pull off still more fraudulent capers.

As for the second variety, it is referred to as "marine piracy."

In the most recent period of the development of international society, it has generally been believed that the topic of marine piracy was no longer of interest; moreover, lawyers began to believe that marine piracy was not a topic deserving of interest by and large, in view of the multiplicity of new topics dealt with by the law. The belief was especially widespread that what was set down in international law concerning marine piracy did not go beyond theories and rules which were left behind by events and petrified by actual developments, thereby having no more place in the reality of the second half of the twentieth century. However, this is not really so, because marine piracy is still committed on the high seas. The Nigerian press reported an incident the essence of which was that the ship Taifun was attacked by pirates for three consecutive days in the port of Apapa. The attack led to the wounding of the captain on the third day. This all happened during September 1981. It has also been recently reported that a marine piracy operation was committed against ships bearing goods bound for merchants belonging to Gulf countries.

It is worth mentioning that, according to the law, no operation committed against a ship can be considered a marine piracy operation unless it has all the right elements, which consist fundamentally of an act of illegitimate violence undertaken by armed individuals against another ship on the high seas with the intention of plundering and robbing. By high seas is meant all parts of the sea except for territorial waters and internal waters.

There is no doubt that this definition, which was contained in the Geneva Agreement on the High Seas of 1958, removed all dispute concerning the definition of the high seas and just what kind of sea was thereby described and what was not, with the waters which are considered internal or national not being comprised by the term "high seas," just as the waters of territorial seas are not thereby comprised.

At any rate, one can say that we are far removed from the time in which marine piracy was predominant to such an extent that traders and those who travelled by sea were not at all at ease concerning their persons or money, but we can conclude that marine piracy has not disappeared completely and is indeed still practiced in some marine regions of the world. If we look at the spots where marine piracy has occurred in recent years, we note that most such acts are committed in the seas of the Far East, especially in South East Asia, where it seems that some gangs still do that criminal work.

12224

CSO: 4404/452

IRON, STEEL PRODUCTION IN GULF REGION RAPIDLY EXPANDS

Paris AL-MUSTAQBAL in Arabic No 331, 25 Jun 83 p 59

[Text] It is expected that the iron and steel production of the Gulf states (including Iraq) will double when two new huge industrial complexes begin actual production in the last quarter of this year. The two are the al-Jubayl iron and steel complex in Saudi Arabia and the Khawr al-Zubayr complex in Iraq.

While the former will begin production at total capacity amounting to 1.2 million tons per annum, the operations of the latter will be restricted to a small production mill with a capacity of 450,000 tons per annum. It is hoped that the larger mill will be completed in the near future so as to bring the maximum capacity of the complex to 1.2 million tons per annum.

This means that the Gulf states' production of these goods, considered a basic gauge of economic development, jumps from 847,000 tons to nearly 1.7 million tons. However, the nine factories that currently exist will not cover the total needs of the region which could amount to nearly 5 million tons of iron and steel per year.

The Qatar Iron and Steel Foundry was the first integrated production complex in the region that opened in 1978. It has a total projected capacity of nearly 400,000 tons of sponge iron, 415,000 tons of steel rods, and 330,000 tons of rolled steel. The projected capacity of the Khawr al-Zubayr complex of Iraq will reach 1.2 million tons of sponge iron, 480,000 tons of steel rods, and 400,000 tons of rolled steel. The Saudi complex will have a projected capacity of 800,000 tons of sponge iron, 850,000 of steel rods, and 800,000 tons of rolled steel.

There are two semi-integrated plants: the plant of the National Iron and Steel Company in the Emirates with a capacity amounting to nearly 36,000 tons of reinforcing iron, and the plant of the Ras al-Khaymah Company Ltd also in the Emirates with a capacity of 50,000 tons of reinforcing iron. There are also two plants for rolled steel. The first is in Jiddah, a plant producing 140,000 tons of reinforcing steel, and the second is in Abu Dhabi which also produces 25,000 tons of reinforcing steel.

There are two conduit plants: the factory of the Kuwait Metal Pipe Industries Company which has a maximum capacity of 136,000 tons and the factory of the General Establishment for Spiral Pipe in Iraq with a capacity of 60,000 tons annually.

It should be mentioned here that the Qatari and Saudi complexes operate with the direct reduction process technology Midrex . This is a way which economizes on production processes and costs. While the Iraqi complex uses the ("Hale") method.

The Qatari experience has been an unexpected success that has changed some notions, namely that it is not possible to set up iron and steel manufacture in countries with populations smaller than 75 million where such an industry can produce on an optimal scale and at reduced costs. However, the Qatari factory has succeeded in exporting its output to neighboring countries and abroad at reasonable prices and with great productive efficiency.

A study done by Dr Muhammad Wajih Badawi and Engineer Muhammad Ibrahim Sa'd (of the Gulf Industrial Consultancy Organization) concerned with the iron and steel labor force in the Arab Gulf showed that the production of 100,000 tons of iron and steel needed only 252 workers in Qatar while it called for 580 European workers, 430 American workers, and 310 Japanese to produce the same amount. Keep in mind that production of the Qatari plant greatly exceeded the plants' projected capacity according to 1981 statistics.

The company says that some of the reasons for this productivity include the modern plant, its use of the advanced direct reduction process, and the management's application of a system that motivates workers and increases their productivity, and the application of an appropriate means of controlling product type.

What has been said about the Qatar complex applies as well to the two new complexes in Iraq and Saudi Arabia, as well as to the rolling mill plant in Jiddah developed by the Saudi Basic Industries Company (SABIC) with the assistance of the German company Krupp. The rest of the factories are producing below capacity because their equipment is not the most modern, and due to foreign competition with which they cannot compete. There are several projects to expand these plants to make them more competitive.

As a result, the iron and steel industry in the Gulf should see some jumps in the coming years especially because the demand for iron and steel is continuously growing in this region. Remember the Arab Iron and Steel Company factory: It is a Gulf corporation founded in 1980. Operations will begin in 1984 with a production capacity amounting to 4 million tons of (iron drop casts). This plant will rely on marketing its product to the Saudi, Qatari, and Iraqi iron and steel complexes, while it will export the remainder of its production.

9587

CSO: 4404/489

ECONOMIC TIES BETWEEN GULF STATES, CHINA REVIEWED

Paris AL-MUSTAQBAL in Arabic No 331, 25 Jun 83 pp 41-45

[Text] The Arab Gulf region is geographically composed of eight countries: the Kingdom of Saudi Arabia, Kuwait, United Arab Emirates, Iran, Iraq, Qatar, Bahrain, and Oman. Its total surface area is 4,890,000 square kilometers and it has a population of 65 million people, the most populous single country having a population of 37 million people while the smallest has only 250,000. Most of these people profess the Islamic religion. The Gulf region has an ancient history that stretches back to past eras. Its commercial life began relatively early.

The Gulf region is well-known for its oil wealth and also for being the main oil treasure since its reserves of oil amount to 48.5 billion tons, that is, equivalent to 53 percent of the world's oil reserves. Oil production in 1980 reached 930 million tons, representing at that time 30 percent of the world's total production. The value of oil production reached \$1.881 trillion and that has made the region among the richest regions in the world. In 1980 GNP amounted to \$30 billion and it has exceeded that in a country like the Emirates alone. While oil is the largest source of revenue for the countries, along with some commerce and simple manufactures, all consumer goods like food, clothing and some daily needs are imported from abroad, which makes the Gulf region one of the very important markets in the world. Along with this rise in living standards some Third World countries are sending their workers here.

The total amount of imports from abroad has increased by 110 percent, or from \$41.4 billion in 1977 to \$86.8 billion in 1981, which works out to \$1,335 per person.

Detailed reports have shown that the most important imported goods are appliances and electric devices. Appliances, which are greatly in demand, comprise more than 45 percent of total imports. After that building tools, food, and fabrics. Also there is clothing and light manufactured goods. Consequently, the Gulf market offers the following features:

1. A huge field for imports, that is mostly varied goods from machinery to equipment and raw materials to daily needs.

2. A free market and low prices, excluding pork, narcotics, and arms, most goods can be imported into this market, excepting Iraq and Iraq since these are dependent on their own local markets.

3. A large commercial center for the distribution of wholesale goods. The Gulf region exists at the heart of Asia, Africa, and Europe, so that it is an axis for trade, since imported goods can be re-exported to the three continents. Much of these are goods which are re-exported (Iran and Iraq excepted) to neighboring countries and especially to North and South Yemen, Pakistan, Jordan, Egypt, Syria, and Turkey. The commercial centers cover a large portion of the Gulf's trade.

4. Fierce competition caused by the adequacy of foreign currency circulation. Every country of the world is trying to gain a part of the market here, and that has caused competition to grow ever sharper.

As for China's commercial relations with the Gulf countries, they date back in history to more than 2,000 years. Shortly after the establishment of the People's Republic of China trade began with the Gulf region indirectly through Hong Kong, and through non-official trade. Then with other regions in the area. Since 1958 China established diplomatic relations and signed commercial agreements with Iraq, Kuwait, Iran, and Oman. Likewise China has non-official trade relations with Saudi Arabia, the United Arab Emirates, Bahrain, and Oman. After a difficult period, Chinese produced goods became famous and its exports increased from year to year.

In 1973, Chinese exports to the eight Gulf countries amount to \$132 million only. By 1976 they had already increased to \$320 million and \$501 million in 1979. In 1981 its exports reached \$806 million of which \$200 million were imported by Iraq, \$168 million by Saudi Arabia, \$149 million by Iran, \$146 million by Kuwait, \$101 million by the UAE, \$21 million by Bahrain, \$12 million by Oman, and \$9 million by Qatar. In other words China's exports in 1981 were seven times as great as those of 1973.

Most of the Chinese exports to the eight Gulf states comprise food, clothing, and other everyday commodities. In 1981 textiles were among the primary exports, the value of which amounted to \$293 million, that is what is equivalent to 32 percent of all Chinese exports to the Gulf. Some 20 percent to total exports were the \$162 million worth of light manufactures, the second most important group of exports. The third place is occupied by \$65.4 million worth of foodstuffs, that is some 8 percent of the total; finally, \$59.9 million were comprised of tools and appliances, approximately 7 percent of the total.

In spite of the yearly increase of China's trade with the Gulf region these past years it does not yet occupy an important place with respect to the region's imports. That is due to the declining purchase of basic goods. For example, Chinese exports to the Gulf in 1981 were only 9 percent of the region's total imports. The exports of machinery, electrical goods, and other appliances amounted to zero percent. According to statistics, the leading exporting country sending goods to the Gulf region is Japan which exports some 24 percent

of the Gulf's demands, the U.S., then Britain and so on. Even Taiwan's exports to the region are greater than China's.

In order that China adapts to the Gulf market Chinese goods need to be made up to date with the changes occurring in the Gulf's markets. Delivery must be completed within a specified time and likewise contracts and promises must be honored.

Along with the existence of huge sums of petrodollars it is anticipated that the eight Gulf countries will expand their imports field so as to maintain the pace of the economy and construction in their countries. For this reason the field of labor exporting is an excellent opportunity. Accompanying the rapid growth of Chinese exports the region's imports grew even more and more rapidly.

The total number of Chinese exports to the region declined by 2 to 3 percent in 1973, and by 9 percent in 1981. Based on this analysis (so the Chinese say) "We can see clearly that if we develop our workers then we will become capable of sending an improved product to the region, that includes the following:

1. Priority must be given to supplying the Gulf region with wholesale goods in the long and short term, by undertaking greater efforts to improve the means of transport and reducing transport time, and likewise improving arrangements.
2. To develop basic goods in the coming year or two. Among our exports to the Gulf there are a great number of goods, like clothing for instance, or Arab dress, rugs, canned foods, embroidery, iron nails, metal wire, etc. These goods amounted to a value of \$10 million yearly and they must be improved and developed. To do this there must be total cooperation at all levels if there's not to be competition between us. Regarding goods such as household electrical utensils, tools, and electrical equipment, and frozen mutton in particular, all which have wide markets there at tempting prices, we must put them through quality control with great attention. Then a comprehensive production program must be conducted concentrating on local Chinese production capabilities. We can export from here high and medium quality goods and change the appearance of the goods.
3. Participate in official public contract bidding, since there are a great number of tender bids announced each year in the Gulf. The goods needed by a government or by military sectors are usually obtained through public tender bidding. Such a tender offer usually applies to few goods but requires large amounts of those goods. Because of this our trade representative there needs to keep on top of what is happening to inform our cooperative companies so we can win a greater number of these bids.

9587

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MAGHREB INTEGRATION PROBLEMS DISCUSSED

Casablanca LAMALIF in French No 147, Jun-Jul 83 pp 18-20

[Article by Ahmed Srikah: "The Real Causes of the Maghreb Integration Difficulties"]

[Text] Moroccan-Algerian relations are gradually improving and a series of normalization measures is in progress, an early indication of such is the reopening on 8 June of RAM's [Royal Air Morocco] flights to Algiers. What are the prospects for the integration and cooperation that should logically follow such a normalization? In the following article Ahmed Srikah reports on the difficulties to be surmounted, initial difficulties for the economies exacerbated by the different positions adopted since independence by the two countries. But reading this first article (its author promises more, particularly on the subject of currency) may lead one to think that the abortive entry of Algerian policy into the international market on the one hand, like the entry--now facing enormous obstacles--of Moroccan agricultural policy into the international market on the other hand, provides a good time for reflecting jointly and an opening for further integrating trade. Does Algeria now intend to sell its industrial production on the Moroccan market, and does Morocco now intend to sell its surplus agricultural production on the Algerian market? This would not only be possible, but it may have been agreed upon, and this may be the underlying basis for the extremely rapid changes we have just witnessed, after 7 years of tension.

The Algerian-Moroccan reunion may be the point of departure for building the Maghreb. But if the building is to be effective and irreversible, it must take present reality as a postulate and clarify the bases for cooperation, or it will result in a new impasse.

For the problems of integrating the Maghreb are not social, but economic, with a political foundation! The major obstacle is rooted in the divergent

interests of the ruling classes in the Maghreb countries, as illustrated by the emphasis on national variations in development programs.

Whence comes a strengthening of vertical bonds on the basis of structures in place, with no induced effect on regional integration.

Examination of Maghreb economic structures reveals a very high degree of extraversion, which the internalization processes engaged in since independence have only aggravated. Failure to evaluate the constraints has increased those countries' involvement in international trade and reinforced their specialization.

The Maghreb economy is still based on primary products¹ and the fundamental cause of the absence of inter-regional economic ties is thus linked above all to the similarity of economic structures. The 1979 distribution of the gross domestic product [GDP] according to sector shows a disproportion in favor of the primary, it being understood that the ballooning of the figures for the industrial sector is basically due to the extractive industries.

Table 1. 1979 Distribution of the GDP in the Maghreb

<u>Country</u>	<u>Sector</u>			
	<u>Agriculture</u>	<u>Industry</u>		<u>Services</u>
		<u>As a Whole</u>	<u>Manufacturing Sector</u>	
Algeria	7	58	11	35
Morocco	19	32	17	49
Libya	2	73	3	25
Tunisia	16	33	12	51

Source: World Bank, "Report on Development in the World T3," pages 162-163.

Similarity of activity is not uniquely sectoral, but is even found within each sector: agricultural production encompasses more or less identical characteristics in three countries--Algeria, Morocco and Tunisia (truck farming and citrus fruit cultivation). Moreover, in Morocco and in Tunisia the essential element of agrarian policy concerns development of those crops that are keys to exportation.

With regard to the internal production-demand ratio, Maghreb agriculture is weak in production of cereals and dairy and meat products in all four countries.

A food imbalance is still characteristic and its magnitude varies with variations in weather.

In all four countries the fundamental economic activity is tied in with raw materials (over 40 percent of total exports and 99 percent for Algeria and Libya). The two principal commodities exported by those countries (oil and phosphates) are exported by at least three of them: fuels by Libya (99.57 percent of its total exports in 1979), by Algeria (97.73 percent of its total exports in 1979) and by Tunisia (48.50 percent of its total exports in 1979).

Phosphates are exported by Morocco, Tunisia and Algeria. Moreover, all of these countries are content to extract and export their raw materials in their crude state, which accounts for the fact that the regions are underindustrialized.

Manufacturing activity, which is an economy's most dynamic activity and affects it positively, is still very weak (17 percent of the GDP in the most favorable cases). The diversion of traffic to other countries, then, is seen to be a corollary of this situation.

Which explains why these countries remain dependent on other countries for selling their products. As far as their needs are concerned, they are dictated simultaneously by the necessity for economic development, which requires that durable goods be imported, and the needs of consumption, which are increasing under demographic pressure. Importation of food products continues to burden these countries' balance of trade: in 1979 they account for 18.50 percent of Algerian imports; 17 percent of Libyan imports; 20 percent of Moroccan imports and 15 percent of Tunisian imports.

Repetition of the dual dependence on other countries is found to be maintained by the delayed industrialization. Thus, the trade asymmetry that is perceived throughout the geographic distribution, combined with the heavy concentration of exports per product, constitutes the element that most reveals the vulnerability of the economies we are examining. The different actions undertaken by each of the countries concerned, toward economic development to reverse the dependent position have not furnished tangible results.

Shortly after political independence and after a transition period that was meant to ensure that these countries would be able to control a newly acquired economy, choices began to become apparent in all the various plans being promulgated in a strictly national framework, inspired theoretically by two models of development: one that places the accent on industry and another that favors the agricultural variable.

The Industrial Strategy: the Case of Algeria

In Algeria, the preference is for industry, for the impetus effects it exerts on all economic activity. Thus, an "industrializing industry" is spoken of².

Throughout the two plans that launched the bases of the Algerian economy, appears the option for an accelerated formation of fixed capital, to be distinguished by the use of advanced technology, according to the model of unbalanced growth, which places the stress on the imbalances that appear as development advances, necessitating continual adjustments. The projects to be carried out are selected according to their liaison effects up- and downstream. It was with this in mind that Algeria opted for large industry based on steel and petrochemistry, the external impetus effects of which should benefit the economy as a whole.

The actual idea of the industrializing argument is to establish a dynamic connection between industry and agriculture, by having industry supply agriculture with "the elements of fixed capital³," agricultural machinery, fertilizers, etc., with industry also forming an outlet for agricultural products through

the development of agro-industry. The "industrializing industry" is characterized by capital with a strong organic composition, and by large-sized motor units. The ultramodern technology on which it is based should, by virtue of its stimulating effect, contribute toward raising the skill level of technicians and workmen. But the fundamental limit this theory collides with seems to be one with the idea of "fixed capital formation," which is "creation first of industrial labor³." But a working process is a mechanism for combining machines and indissociable labor, at two interactive poles that are constantly being renewed.

The workers' know-how engenders a new proficiency on the part of the machines, and the machines' new proficiency calls for new practices and new coordination on the part of labor, etc. In the case of Algeria, the injection of a new first-rate technology "to avoid installing equipment that will be too rapidly outmoded⁴", in an unadapted socio-economic environment increases an unemployment in which the costs of expediency must be measured in relation to the repercussions of a capitalistic industrialization. On the economic level, the transfer of wages by foreign personnel puts a strain on the equilibrium of the balance of payments. Moreover, having recourse to a very expensive advanced technology reinforces technological dependence under the influence of the speed with which it is paid for. It could happen that a factory purchased on a ready-for-operation basis would still be within no more than 25 or 50 percent of being paid off, and that its technological component would already be so outmoded as to need replacement. And Algerian labor, because of the degree to which it is qualified, is not yet in a position to act in such a way as to make the machinery pole proficient.

Another boundary appears in the area of selling the production. Installation of large sophisticated industries in a country like Algeria collides with the low demand, both at home and abroad. Shunting aside a large majority of the population carries with it the compression of the internal demand under the weight of low revenues. Moreover, the rate of payment for the installations necessitates incorporating most of their costs into their production. The result is a rise in prices which, combined with the barriers to the world market imposed by the industrialized countries' advanced technology, renders these installations unprofitable.

Influenced simultaneously by economic waste and the social deterioration occurring in the wake of excessive investment⁶, the administration in Algeria found itself inclined to restructure its production apparatus by putting the accent--under the 1980-1984 plan--on decentralizing the large production units and making social improvements⁷.

In conclusion, it may be said that the obstacles being encountered by Algerian industrialization are the same as those confronting all the "small nations," that is to say the meager domestic market in relation to the size of the production units, and the difficulty involved in penetrating a foreign market. In addition there is the "handicap of the development of a technology that is stimulated in countries with large markets⁸."

Table 2. Sectoral Allocation of Investment (in Percentages)

<u>Branches</u>	<u>1970-1973 Plan</u>	<u>1974-1977 Plan</u>
Industry	44.6	43.4
Agriculture	14.7	10.9
Education and training	11.8	9.0
Infrastructure		
Economic and social	8.3	14.0
Others	20.6	22.0

Source: ECONOMIC PROBLEMS No 1683, 23 July 1980. "The New Algerian Plan."

The Agricultural Strategy: the Case of Morocco

Throughout the 1960's and 1970's, Morocco (like Tunisia), followed a policy of prudence centered around economic stabilization, the basic motive of which lay in seeking foreign currency savings; the objective being to ensure maximum employment of the active population and to bring about the realization of external equilibrium. It was therefore necessary to stimulate exportation and diminish importation.

Action on exportation can take place by means of a policy of prospecting for outside markets, aimed at deriving maximum profit from the endowment of natural resources. To this end, Morocco, while seeking to increase sales of its raw materials (especially phosphates), initiated an agrarian policy based on developing crops for export. A disproportionate part of the investment effort was devoted to agriculture, but exports cannot continue to rise indefinitely, in view of their relation to domestic demand.

The other aspect of the agricultural strategy is tied in with the absence of external effects on the economy. Although this strategy gave birth upstream to a medium-sized agrofood industry, the downstream effects on development of a chemical industry to supply fertilizers and insecticides are still being awaited. Morocco, which is approaching third place in the world in phosphate production, is processing only a bare 10 percent of that production⁹. The social impact of the agricultural variable as development strategy seems to amount to expanding the gulf between the modern exportation sector, in which a mere 20 percent of peasant families are occupied, and the traditional sector, which operates chiefly for self-consumption¹⁰. This sector is heavily affected by unemployment and underemployment. Morocco has recorded an agricultural production deficit that continues to burden the disequilibrium in the trade balance, even though it varies with weather conditions. Moreover, prospective analysis of Moroccan--and even Tunisian--agricultural exportation encourages pessimism as to the possibility of any increase in the near future, because their principal competitor, Spain, has joined the European Common Market, their major outlet.

Action on importation, to absorb the balance of payments deficit by developing a national industry, was developed during the 1930's as a result of the deterioration of the terms of trade for primary products following the great economic crisis of 1929¹¹. The importation-replacement industry supported by an

already-existing domestic market--for where there is importation there is a domestic demand--is supposed to alleviate external disequilibrium. Its influence appears in increased national production and increasingly higher revenues linked to these new installations. Those who hold the unbalanced growth theory maintain that such industry, by means of the expanding market it arouses, allows the allotment of the surplus realized from the improved balance of trade to various alternative kinds of employment¹², including an intersectoral slip that will enable the economy to be effectively developed. But the establishment of such a mechanism must be accompanied by a protectionist trade policy that conflicts with the objective of increasing exports, which itself requires a commercial liberalism¹³. Moreover, the ISI [expansion unknown], with the poorly-worked-out technology it incorporates, can make no contribution toward realization of the technical progress that is at the root of all industrialization; and the technical demand which is still necessary is one factor of dependence, all the more aggravated because the ISI provokes an induced demand for additional importation linked to both factors by the higher revenues they have engendered. Importation has not been reduced, but only its structure is going to change.

Thus, such an industrialization mechanism is in danger of comprising more inconveniences than advantages.

In any case, whatever the strategy adopted by each of the Maghreb countries, the results obtained fall very short of the expected objectives:

The repercussions on economic development were weak, the industrialization effort, which was to ensure national independence, was doomed to failure and was followed at the regional level by a dislocation between the different countries, more serious than it was right after independence, commercial disintegration in this region being aggravated by the problem of payments and circulation of the monetary flow, which is not convertible from one country to the other.

FOOTNOTES

1. In 1979, primary products made up 99.79 percent of Algerian imports, 99.73 percent of Libyan exports, 76.54 percent of Moroccan exports and 66.3 percent of Tunisian exports.
2. G. D. Debernis, "Deux strategies pour l'industrialisation du tiers monde" [Two Strategies for Industrializing the Third World] in REVUE DU TIERS MONDE No 47 July-September 1961 p 547.
3. C. Palloix, "industrialisation et financement" [Industrialization and Financing] in REVUE DU TIERS MONDE No 83 July-September 1980 p 532.
4. G. D. Debernis (1961) op. cit., p 551.
5. M. E. Benissad, "L'economie de developpement de l'Algerie" [The Economic Development of Algeria] Economica 1978 p 56.

6. Between 1967 and 1978 investment increased an average of 15 percent per year, whereas the GDP increased by only 7 percent (cf. PROBLEMES ECONOMIQUES No 1683, article concerning Algeria).
7. LE NOUVEL ECONOMISTE 7 July 1980.
8. Y. Gazzo, "Afrique du Nord d'hier a demain" [North Africa, Yesterday to Tomorrow]. Economica 1979 p 30.
9. For the causes of this industry's failure, see F. A. Oualalou, "Propos d'economie Marocaine" [Words on the Moroccan Economy], SMER [expansion unknown] 1980.
10. See PROBLEMES ECONOMIQUES No 1675, 28 May 1980. "Les difficultes de l'economie marocaine" [Problems of the Moroccan Economy]
11. C. Kinoleberger and P. H. Lindert, "Economie internationale" [International Economy] Economica 1980 p 225.
12. A. O. Hirschman, "strategies du developpement economique" [Economy Development Strategies], Edition Ouvrieres, Paris 1964 p 82-84.
13. For more on this idea of conflict, see Jallel Ahmad, "Import Substitution and the Growth of Exports" in REVUE ECONOMIQUE, January 1976.

8946

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MAGHREB UNITY, SAHARAN ISSUE ANALYZED

London AFRICA CONFIDENTIAL in English No 14, 6 Jul 83 pp 6-7

[Text]

The future of the Western Sahara has become a race between the OAU and the *Arab League*, which had washed its hands of the problem until **Saudi Arabia** indicated the urgent need for a settlement after **King Fahd's** visit to Algiers last December. Saudi diplomacy then paved the way for the meeting between President **Chadli** of **Algeria** and **King Hassan** of **Morocco** in February (AC Vol 24 No 8) and finally for the meeting at the end of June between **Col. Gadaffi** and **Hassan** - after 14 years of extremely bad relations. This breakthrough was promoted by the Saudi Crown Prince **Abdullah**, who visited **Tripoli** at the beginning of June, and the subsequent visit by **Gadaffi** to **King Fahd**.

The Saudis have more than a fraternal interest in the question. Without their aid, Morocco would find it difficult to finance the war against *Polisario*. Morocco's military expenditure is close to 40% of the entire national budget if the special purchases from **France** and the Saudi military subsidies are taken into account. Officially, defence accounts for only 12.5% of the budget, 6.6 billion dirhams, but the government has run into trouble about paying its arms bill with both the **US** and **France**. Last month the **US** threatened as a matter of course to suspend aid unless interest payments on arms loans were forthcoming. Paris agreed last year to reschedule Morocco's military debt (about \$700m at the end of 1981) after non-payment had already resulted in the suspension of deliveries.

Morocco remains open to a Saharan compromise, particularly since the prospect of winning the desert war is remote. At least one company within the "triangle" (AC Vol 22 No 14) is speaking of pulling out because of unsettled conditions. At its tenth anniversary at the end of May, *Polisario* paraded 8,000 troops and showed for the first time armoured cars of **Brazilian** make, said to have been a **Libyan** gift. But **Libya** is less willing than before to foot the bill for *Polisario*: oil revenue is still well below that needed for planned expenditure, and about 15% of **Libyan** oil production appears to go to the **USSR** in payment for arms. **Tripoli** has been trying to interest **France** in particular in major projects which would be paid for in oil barter deals.

The **French** are considering this, as it fits in with their idea of a special West Mediterranean cooperation area involving the North African states, **France** and **Spain**. In April, for instance, **Libyan** foreign minister **Abdelati Obeidi** proposed technical cooperation which could reverse **France's** unfavourable trade balance with **Libya** through attractive exports in the heavy industry, transport and telecommunications sectors. (Discussions were also held in March between **Libyan** planning minister **Fawzi Chakchouki** and the **French** minister for trade, **Michael Jobert**). There are, of course, political strings, as expressed in the same vein by **Algeria**: "I have come to offer President **Mitterrand** bilateral and Maghrebian cooperation on condition that the Saharan conflict is resolved", **Algerian** economics

minister **Abdel Hamid Brahimi** announced in Paris recently, pointing out that trade between the two countries had more than doubled between 1980 and 1982. France remains Morocco's most important trading partner, a relationship which is limited only by Rabat's war debts. Tunisia has just concluded negotiations with France to settle a long-standing compensation dispute. Trade prospects look good.

The basis of all these diplomatic moves is the idea of a Greater Maghreb consisting, if Hassan has his way, of three countries only: Morocco, Algeria and Tunisia. But the Algerians have insisted on a North African community of six - to include also Libya, Mauritania and "eventually" the Saharan state. (Gadaffi wanted yet another "revolutionary" Maghreb. Last year when in Algiers he proposed a pact between Libya, Algeria, Mauritania and the Saharan republic.)

The six-state Maghreb now stands the best chance, since *Polisario* will agree to a sharing of the economic benefits derived from the "useful triangle" in the context of Maghrebian unity. At least, this is what Gadaffi told Hassan during their recent meeting. Surprisingly he announced publicly during his visit to Rabat that the OAU demand for a referendum in the Western Sahara was "nonsense", apparently because of his conviction that the loser of such a test would fight on anyway. This argument is more realistic than the expectation that Hassan will sit down with *Polisario* and agree on the terms of a referendum which the OAU wants to be carried out by the end of the year. In private, the Tunisians and Algerians also do not believe in the referendum solution, although both of them voted for it at the recent OAU summit.

The Tunisians have moved towards the *Polisario* position but would prefer autonomy to full independence. The Algerians feel that Spain, as the former colonial power, retains a residual responsibility. Algeria never recognised the Madrid agreement of 1975 which handed the Western Sahara to Morocco and Mauritania. (Mauritania has since renounced its share). Therefore, the argument goes, Madrid is obliged to decolonise properly, and this precludes handing the territory over to anybody else without the consent of its inhabitants. Spain has not answered this directly, though a recent statement from Madrid supports the Greater Maghreb concept.

Among Gadaffi's arguments in Rabat was the persuasive economic prospect of benefits for Morocco, since a Saharan state would allow the exploitation of rich iron deposits and the profits of the proposed Algeria-to-Spain gas pipeline. (The gas pipeline which carries Algerian gas from Hassi R'Mel to Italy via Tunisia will earn Tunis at least \$21m annually).

What matters is that all of Morocco's neighbours, including Mauritania, now agree on the Greater Maghreb solution which will give *Polisario* the status it claims while allowing Hassan to say he has yielded nothing in view of the "merger". But if this solution is to come off, Gadaffi as well as Chadli will have to lean on *Polisario* and, if necessary, cut off its supplies. Gadaffi was not prepared to do this a year ago because he was still thinking of a greater African confederation, including presumably all those West African states which have consequently felt threatened by Tripoli. He was also hoping for the OAU chairmanship, which has now escaped him. But the main event which redirected Gadaffi's interests away from Africa has been Israel's invasion of Lebanon and his decision to employ all means at his disposal in an anti-Israeli effort. A North African community could be formed on the basis of this shared antipathy.

Talks have already taken place between POLISARIO and the Moroccans, despite denials by Moroccan foreign minister M'Hamed Boucetta. Polisario leader Mohamed Abdelaziz confirmed this at the OAU summit, and his foreign minister, Mohammed Hakim, promised to furnish photographs to prove

it. Although Hakim has since threatened to bring a "military catastrophe" down on Hassan if there is no agreement before the end of the year, he emphasised the need for direct negotiations more than the need for a referendum. There is to be a session of the OAU committee on the Western Sahara on July 20 in Addis Ababa, when the extent of the progress achieved by Gadaffi and Hassan, as well as their respective supporters, should become clearer ●

COMPREHENSIVE PORT DEVELOPMENT PLAN REVIEWED

Algiers EL MOUDJAHID in French 21 Jul 83 p 4

[Article by the Algerian Press Agency: " A National Port Development Strategy"]

[Text] The issue of the ports comes to the forefront again periodically, as if to remind us of the complexity of a problem that has been newsworthy because it is an old one, despite the successive measures drawn up, which have moreover turned out to be ineffective in practice.

The absence of comprehensive long-term planning has given rise to sporadic, isolated reactions, that have not in fact been in compliance with a national policy of rapid development, whereas the great importance of port vitality in importing and exporting, and its consequences for the nation's economy, is well known.

The great economic upheavals expected and observed from the time of the first Four-Year Plan (1970-1973) and amplified by the national development plans that followed have brought out the need to implement in connection with the ports a national strategy capable of meeting all existing and future situations. With that point settled, the port problem concerns everybody, thus "the solution must be sought with everybody participating," as the secretary of state for fisheries and marine transportation pointed out in one of his statements to the press.

Beyond that fact, the whole chain of interested parties, operators, and users is involved and is expected to give rational, effective cooperation to promote orderly, normal operation of the nation's ports. It is also necessary to take care of the installation of adequate infrastructure and logistics, at the same time as the perfecting of operating procedures permitting very careful planning, decentralization, and simplification of customs procedures, and lastly, speedy movement of goods and equipment.

In plain language, the issue is one of transcending palliatives in favor of lasting, real solutions. The country's authorities have attacked it by full implementation, or at least by reorganizing the planning and management structures, while having executed a large number of construction projects on a variety of related work, involving super-highways, bridges, the starting of new railway sections (...) as well as the development and equipment of the various ports.

In this context, the government decided in 1982 on the port reorganization that resulted in a single port authority, with the integration in each port of the activities and functions of the National Ports Office (ONP), the National Freight Handling Company (SONAMA), and the portion of towing that had formerly fallen to the Algerian National Shipping Company (CNAN). The reorganization led to the establishment of eight more or less autonomous port enterprises given the responsibilities listed. These enterprises are established at Ghazaouet, Arzew, Mostaganem, Oran, Algiers, Béjaia, Skikda, Annaba; several of them also administer one or more peripheral ports, for example, Mostaganem (Ténès), Algiers (Cherchell), Béjaia (Jijel), Ghazaouet (Beni-Saf).

The operation in question, which is organized around the parameters of rationalization and profitability, also makes it possible to identify any weakness and inadequacy and define responsibilities.

The confusion prevailing in the past as a result of the anachronistic distribution of privileges and of the sphere of action of the then existing port structures has engendered cumbersomeness and disparities, and they, added to the carelessness of certain economic and user operators, caused the national economy to suffer some important losses in goods and foreign currency. This state of affairs induced the political authorities to introduce the necessary correctives in structure and also subsequently in greater care in management.

Deriving from the guiding principles of the Five-Year Plan in force, planning, efficiency, consistency, and control are being applied with increasing consonance to bring about greater mastery of the economic control levers, and a better management of public funds. Thus the effort has included the port sector, which is undergoing a new phase with the decongestion operations carried out in connection with practically all the ports. Are these contingency operations, or the first effects of a new port policy?

The fact nevertheless remains that in the circles involved a certain improvement is being observed that may be taken to be a start on bringing the port situation up to standard, on a national scale, which amounts to a response to development achieved here and there. In this connection, Mr Benfréha pointed out last March that 1983 is to be a particularly busy year for the port enterprises, and what has been done in terms of improving the performance of port equipment is already satisfactory. The reorganization is "effective in the field and the case will definitively be closed in the second half of 1983," he indicated. At the same time, the minister noted certain spatial, technical, and organizational development measures that have made it possible to increase handling efficiency in the ports, such as the reclamation of certain zones within the port precincts, earth revetment and lighting installation work to promote night operations, as well as smoothly functioning coordination among operators and users.

These measures have made it possible to raise the theoretical total capacity of Algerian ports from 10 million to about 18.7 million tons a year (not including hydrocarbons), in spite of the fact that the ports of Oran and Ghazaouet were operating at only 50 percent of capacity because of the damage

inflicted by the severe weather in December 1980, he specified. In referring to the infrastructures, the secretary of state for fisheries and marine transportation was to explain that they require heavy investment, very costly and lengthy to achieve, citing as an example the refitting of the port of Algiers with the introduction of additional capabilities to enable it to handle the processing of 1.5 to 2 million tons.

Modernizing Infrastructures

In addition, the port modernization program under the first Four-Year Plan (1980-1984) includes retention of existing infrastructures, the adaptation of the nation's ports to new capabilities and new modes of transportation, the preparation and execution of a computerized equipment plan. Even though it concerns the development of the fishing ports as well as maintenance, the program takes into account the evolutionary context and the specifics of port installation and development, for which a strategy for accomplishment has been worked out in terms of the restrictions inherent in each operation.

It must be pointed out, incidentally, that the marine infrastructure comprises 12 multi-purpose ports (trade, fishing, industry, or petroleum products): Ghazaouet, Béni-Saf, Oran, Arzew, Mostaganem, Ténès, Algiers, Dellys, Béjaia, Jijel, Skikda-Ouest, Annaba; 2 specialized ports (GNL [Liquefied Natural Gas] ...crude condensate): Arzew El-Djedid and Skikda-Est; and about a dozen fishing ports or shelters, as well as 2 yacht harbors.

The confirmed traffic for these ports as a whole rose in 1982 to 69.4 million tons, including 18.7 million tons of miscellaneous goods (not including hydrocarbons). Algiers, Annaba, Skikda, and Oran alone take care of 75 percent of the traffic in miscellaneous goods, while the bulk of the hydrocarbon traffic passes through Arzew, Skikda, and Béjaia.

As may be noted, a few ports monopolize three-fourths of the nation's traffic, while the other ports are under-utilized, which to a large extent engenders the port congestion. The port renovation and extension program provides precisely for redeployment as concerns the ports through the adoption and execution of many and varied projects affecting all the nation's ports.

Thus works maintenance operations (strengthening of jetties and wharves) and deep-sea maintenance (dredging) have been or are being carried out in all the ports. The new capabilities noted in this respect have given rise among other things to the development of the wharves at Skikda (290 meters), Jijel (420 meters) and Béjaia (750 meters) to meet the needs of the SOGEDIA [Food Industries Management and Development Company] plant and for general merchandise (over 660 meters of surface reconstruction), Mostaganem (25 meters as well as a start on infrastructures for fishing), Arzew (200 meters), Oran (1,500 meters of repairs as a consequence of the December 1980 storms), the construction in Algiers of seven container ramps and the building of an ore port in Annaba within the framework of port specialization.

At the same time, in connection with making port assets more productive, outlays have been made for the reequipping of naval repair facilities, as well

as the establishment of new units, the installation of remote sensing equipment and navigational aids, the acquisition of harbor craft, and lastly the acquisition of equipment for removing trash and pollution from the basins. Another equally important slice consists of the development of the surface areas through refitting and reorganization to promote the passage of goods. The arrangements envisaged in this regard mainly concern adequate surfacing capable of handling the traffic for the stations on wharfs that are being developed for special services, the modification of railway infrastructure, crane tracks, and traffic routes to fit in with the port development plan, the revision of the contours and zoning of the open-air port areas.

The program also comprises the construction and fitting of harbor sheds and stations according to the standards and requirements of the port function, the achievement of planning and data processing equipment tending to promote the installation of structures of sufficient size and versatility according to a coherent network intended to reduce car-ferry lay-over duration to an acceptable length of time.

The overall implementation of the 1980-1984 program, which is in a very advanced stage, will make possible a redistribution of port activities tending toward a rationalization of port functions in a spirit of sharing and decentralization of tasks. Then the entire chain of those involved in the circuit would have the idea of pulling up to meet the new conditions and possibilities presented.

On a par with this program, the Ministry of Finance, upon the recommendation of the Council of Ministers, took a series of measures for the simplification of customs procedures. Indeed, to deal with the amount of congestion in the ports, which was constantly increasing and resulting in prolonged holding of goods on the wharves, a certain number of measures, such as temporary removal, the letter of receipt, planned removal, spaces outside the ports, storage areas, have successively been put into practice, without the problem's being solved for all that.

In the light of this observation, it was then decided to start, under the customs code, the establishment of customs-clearing areas in the interior of the country. The purpose of this procedure is to decongest the ports and airports, get the goods closer to their consignee, and proceed to the decentralization of customs formalities. Local authorities were informed to this end by an initial Ministry of Finance circular dated 4 July 1982, and a second time last 23 April, charging them to implement the technical conditions for the establishment, operation, and inspection of the customs-clearing areas, also known as bond zones, in their governorates.

Observation of Zones

The customs-clearing area, or bond zone, is a temporary storage area approved by the customs administration and intended to take in goods that have not been declared in detail when unloaded. It is distinguished from the decongestion area outside the port in that, unlike the latter, which is only a storage place, it permits the completion of customs-clearing formalities in the place where the goods are warehoused.

The beneficiaries are the socialist enterprises and the public organizations, which have to request the prior approval of the customs administration, which will evaluate the sites chosen, the works and construction projected, and the real estate development envisaged in such a way as to assure proper application of the process. Agreement is given upon presentation of a file including the status if not the decision on establishment of the company making the request. In fact, the walis [governors] will be able to establish a service company, designate a local economic unit already in existence by modifying its articles, or engage a socialist transport, warehousing, or transit enterprise when such enterprises are established within the territory of the governorate. The operator thus selected will be provided with transport, weighing, and transit equipment.

For greater efficiency, the bond zone must be located near a road or rail center, accessible to all rolling stock and vehicles, enclosed by cement walls or metal fences, and have no other exits besides those intended for entering and leaving; it must be tarred or shingled to facilitate the movement of transport or handling vehicles.

Two bond zones are already in operation in the governorates of Chlef and Oum El Bouaghi, while another is being completed at Souk-Ahras (governorate of Guelma). Many others are under construction; a start has been made on the one for Algiers at Reghaia. We shall have to wait for next year, however, to see all the projects completed nationwide.

Attention has been drawn to the great importance of the installation of the customs clearing areas as an advantage for the local authorities, enabling them to extend their sphere of economic activity and to increase their revenues, and most of all, to participate in the decongestion of the ports to preserve public goods and finances. The congestion of the port of Algiers alone has cost for additional lay-days (payments made to shipowners in the event of delays in loading or unloading) 400 million dinars in 1981 and 234 million dinars for the first 3 months of 1982, including over 90 percent paid in foreign currency.

These dead losses, to which must be added the deterioration of goods and equipment paid for in foreign currency are seriously damaging to the national economy.

The deplorable situation is hard to explain when it is known that the structures existing in port matters are capable of aspiring to the nation's traffic in both directions, imports and exports together. On the basis of a yield of 600 tons per linear meter, per year, calculated below the international standards, which are 700 to 800, the Algerian ports should channel goods in transit at normal levels.

The problem lies much more in the absence of planning, organization, and order, which are generally lacking among the economic operators, while the country is working seriously to win the development battle, in particular through the accomplishment of the first five-year plan. And on the eve of the fifth FLN Party Congress, which will have the job of assessing the progress made since the previous congress and defining the outline of the next five-year plan, upon which Algeria's economic take-off depends, the human element, since it constitutes the cornerstone of any effort to build, must be fully mobilized so that it can measure up to events.

REPORT ON RECENT SINAI CENSUS SHOWS SIGNIFICANT CHANGES

Cairo AL-AHRAM AL-IQTISADI in Arabic No 753, 20 Jun 83 pp 10-13

[Article by Jamal Zayidah: "Who Are the People of Sinai?"]

[Text] The first comprehensive census in the history of Sinai reveals significant results.

--The census covered all tribes, clans and families.

--The population of Sinai increased 40 times in 100 years.

--How census results can be utilized in the development of Sinai.

The Central Agency for Mobilization and Statistics has conducted the first census in the history of the Sinai Peninsula covering all the areas in Sinai where families, tribes, clans and establishments can be found. The census covered every official administrative unit, whether that was a city, village, community or valley, inhabited by the Bedouins of Sinai.

This census included the Sinai Peninsula in its entirety from Egyptian Rafah in the east to the Suez Canal in the west. This includes the administrative district of al-Qantarah East, which is presently subordinate to the governorate of Ismailia. Al-Qantarah East was not included in its entirety in the 1976 census. The census also covered the area from the Egyptian village of Taba in the east to the Suez Canal in the west, and it covered the administrative district of al-Shatt which is subordinate to the governorate of Suez. That district was not included in the 1976 census. This census thus covers all the units of Sinai that are subordinate to the governorates of North Sinai and South Sinai, as well as areas extending beyond these two governorates to the Suez Canal in the west.

The census revealed very important results that ought to be properly utilized to develop the Sinai Peninsula and to increase ties between Sinai and the remaining parts of Egypt.

What are these results that were achieved from this census that was recently completed between September 1982 and November 1982?

Development over a Century

The most salient of these results is the fact that the population of the Sinai Peninsula increased 40 times over 100 years. In 1882 the population of Sinai was

4,179 persons. [In 100 years] that changed to 166,994 persons. A census was taken 11 times during those 100 years.

The administrative division of Sinai changed over this long period of time even though there was one constant feature of that division: Sinai was one governorate when all these censuses were taken; although it was divided into districts, Sinai was one governorate since 1982 [sic]. It was divided into two governorates in the 1982 census. During the period that transpired from the 1982 [sic] census to the 1947 census Sinai was one governorate, and it had one capital, al-'Arish. It was divided into five major districts called al-Shatt, al-Qantarrah East, South Sinai, Central Sinai and North Sinai. In the 1970 census Sinai was divided into seven districts: the administrative divisions of al-Shatt, al-Qantarrah East, Bi'r al-'Abd, al-'Arish, al-Shaykh Zuwayd, Nakhl and al-Tur.

In the 1966 census Sinai was divided into nine major districts: the administrative divisions of al-Shatt, al-Qantarrah East, Bi'r al-'Abd, al-'Arish, al-Shaykh Zuwayd, al-Hasanah, Nakhl, Abu Zanimah and al-Tur. In the 1982 census the Sinai Peninsula became two governorates: the governorate of North Sinai and the governorate of South Sinai.

The Governorate of North Sinai

The Central Agency for Mobilization and Statistics has devoted two volumes to list the census features for each governorate: the governorate of North Sinai and the governorate of South Sinai.

The Number of People, Total Area and Total Population Density in the Administrative Divisions and Districts of the Governorate of North Sinai

Division/City/District	Number of People	Percentage	Total Area in Square Kilo-meters	Overall Population; persons.per square Kilometers
al-'Arish	54,017	39.53	762	62.66
Rafah	23,332	17.07	506	46.11
Nakhl	351	2.56	11,034	.32
al-Hasanah	15,728	11.51	10,632	1.48
al-Shaykh Zuwayd	19,255	14.09	783	24.59
Bi'r al-'Abd	20,821	15.24	3,857	5.40
Total for the governorate	136,663	100	27,574	4.96

The Numerical Distribution and Percentage of Urbanites and Bedouins in the Population of Administrative Divisions and Districts in the Governorate of North Sinai

Division/City/District	The 1982 Census		Bedouins	Percentage	Total	Percentage
	Urbanites	Percentage				
al-'Arish	48,828	90.39	5,189	9.61	54,017	100
Rafah	7,640	32.74	15,692	67.26	23,332	100
Nakhl	263	7.49	3,247	92.51	3,510	100
al-Hasanah	389	2.47	15,329	97.53	15,728	100
al-Shaykh Zuwayd	4,036	20.96	15,219	79.04	19,255	100
Bi'r al-'Abd	1,734	8.33	19,087	91.67	20,821	100
Total for the governorate	62,890	46.02	73,773	53.98	136,663	100

What Was Mentioned Regarding the Governorate of North Sinai?

The governorate of North Sinai is located in the northern part of Sinai. It extends to the borders of the village of Taba, north of the Gulf of Aqabah, and to the borders of Ra's Masallah on the Gulf of Suez to the south. It is bordered on the east by the Gaza Strip, Palestine and Israel, and on the west by the eastern borders of the administrative district of al-Qantarah East, which is presently subordinate to the governorate of Ismailia, and by the administrative district of al-Shatt, which is subordinate to the governorate of Suez. The capital of North Sinai is al-'Arish which is located on the shores of the Mediterranean Sea. The governorate of North Sinai consists of six districts: the administrative district and city of al-'Arish; and the administrative districts of Bi'r al-'Abd, al-Hasanah, Nakhl, al-Shaykh Zuwayd and Rafah. The total area of the governorate of North Sinai is approximately 27,574 square kilometers.

According to this census the number of people in the governorate of North Sinai amounted to 136,600 persons. Of those 62,800 persons were urban dwellers, and 73,700 persons were Bedouins.

The number of people persons [in the population who are under 12 years old] amounted to 51,700 persons. The number of persons between the ages of 12 and 65 amounted to 79,770 persons. The number of persons 65 years and over amounted to 5,100 persons. The number of persons in the work force who were employed was 29,400 persons, and the number of unemployed persons was 2,600.

Regarding the population of North Sinai according to the educational background of people over 10 years old, the rate of illiteracy was 51,800 persons. The number of persons who can read and write amounted to 19,600; the number of persons whose educational qualifications do not include college was 18,800, and the number of persons who have university degrees was 2,463.

Regarding the marital status of the population of North Sinai, the number of married persons amounted to 46,300; the number of unmarried persons was 15,700, and the number of widows, widowers and divorced persons was 4,700. [These figures apply to females in the population who are 16 years and older and to males who are 18 years and older.

The number of families amounted to 24,600 families made up of 135,700 persons. The average size of a family was 5.5 persons.

The number of families that use electricity to provide light amounted to 10,800 families. This figure constitutes 34.9 percent of all families. The families that get their light from sources other than electricity are 13,800 families, and they make up 56.1 percent of all families.

Regarding the numerical distribution of families according to the source of water, the number of families that have one source of running water in a residence is 8,800 families. The number of families that have one source of running water for the entire building is 858 families, and the number of families that have a source of water outside the building is 14,900 families.

The Number of People, Total Area and Total Population Density in the Administrative Divisions and Districts of the Governorate of South Sinai

Division/City/District	Number of People	Percentage	Total Area in Kilometers	Overall Population; density per Kilometer
al-Tur	3,335	16	5,063	.7
Ra's Sadar	4,659	22.27	5,017	.9
Abu Zanimah	2,541	12.15	4,003	.6
Abu Rudays	4,004	19.15	2,426	1.7
Sharm al-Shaykh	933	4.45	819	1.4
Dahab	1,025	4.90	3,647	.3
Nuwayba'	1,142	5.45	423	2.7
Saint Catherine	3,269	15.63	7,013	1.5
Total for the governorate	10,608	100	28,411	0.7

The Numerical Distribution and Percentage of Urbanites and Bedouins in the Population of Administrative Divisions and Districts in the Governorate of South Sinai

Division/City/District	The 1982 Census					
	Urbanites	Percentage	Bedouins	Percentage	Total	Percentage
al-Tur	1,908	57.2	1,427	42.8	3,235	100
Ra's Sadar	972	20.9	3,687	79.1	4,659	100
Abu Zanimah	334	13.1	2,207	86.9	2,541	100
Abu Rudays	1,848	46.2	2,156	53.8	4,004	100
Sharm al-Shaykh	603	64.6	320	53.4	933	10
Dahab	110	10.7	915	89.3	1,025	100
Nuwayba'	124	10.9	1,018	89.1	1,142	100
Saint Catherine	238	7.3	3,021	92.7	3,269	100
Total for the governorate	6,137	24.4	14,771	70.6	20,908	100

A Table Showing the Change in 100 Years in the Numerical and Percentile Distribution of the Population of Sinai According to Sex: the 1882 Census - the 1982 Census

Year Census	Numerical and Percentile Distribution					
	Males		Females		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
1882	2,083	49.8	2,096	50.2	4,179	100
1879	2,580	53.30	2,064	46.7	4,877	100
1407 [sic]	2,815	51.5	3,592	48.5	7,407	100
1917	2,770	51.0	2,660	49.0	5,430	100
1927	9,313	61.8	5,746	38.2	15,059	100
1937	10,255	57.5	7,656	42.5	18,011	100
1947	25,838	52.4	23,500	47.6	49,338	100
1960	64,325	51.2	61,205	48.8	125,530	10
1966	67,173	51.3	63,676	48.7	130,849	100
1976	6,079	62.6	3,638	37.4	9,717	100
1982	86,704	51.92	80,290	48.08	166,994	100

* Liberated areas.

** To make comparison possible the figures represent the census of the Sinai Peninsula before it was divided into North and South Sinai. It became evident that the population of the Sinai Peninsula increased 40 times over 100 years.

South Sinai

As far as the governorate of South Sinai is concerned, it is located in the southern part of the Sinai Peninsula where it is bordered by the Gulf of 'Aqabah to the east, from the village of Taba to the Red Sea, and by the Gulf of Suez to the south, from the village of Ra's Masallah to the Red Sea. It is shaped like a triangle, and it is bordered on the north by the governorate of North Sinai and the administrative district of al-Shatt which is now subordinate to the governorate of Suez. The capital of the governorate of South Sinai is the city of al-Tur which is known for being the city where Muslim pilgrims are held for quarantine. It is characterized by its location on the Red Sea and its salutary climate.

The governorate consists of eight major districts: the administrative district and city of al-Tur and its neighboring towns, communities and valleys, an area amounting to 5,063 square kilometers; the administrative district and city of Abu Zanimah, an area of 5,017 square kilometers; the city of Ra's Sadar, an area of 4,003 square kilometers; the administrative district and city of Abu Rudays, an area of 2,426 square kilometers; the administrative district and city of Saint Catherine, an area of 819 square kilometers; the administrative district and city of Dahab, an area of 3,647 square kilometers; the administrative district and city of Sharm al-Shaykh, an area of 423 square kilometers; and the administrative district and city of Nuwayba', an area of 7,013 square kilometers. In other words, the total area of the governorate of South Sinai is about 28,411 square kilometers.

According to the census, the number of persons in the governorate of South Sinai is 20,908 distributed [as follows]: al-Tur, 3,335 persons; Ra's Sadar, 4,629 persons; Abu Zanimah, 2,541 persons; Abu Rudays, 4,004 persons; Sharm al-Shaykh, 933 persons; Dahab, 1,025 persons; Nuwayba', 1,142 persons; and Saint Catherine, 3,369 persons.

The population distribution in the governorate of South Sinai according to age groups is as follows: the number of persons under 12 is 6,967 and they make up 33.59 percent of the population. Persons between the ages of 12 and 65 amount to 13,200 persons and make up 63.82 percent of the population. The number of persons who are 65 and over is 537, and they make up 2.59 percent of the population.

As far as the labor force is concerned, the number of persons who are employed is 7,170; the number of unemployed persons is 539.

The number of illiterate persons is 9,512. The number of persons who can read and write is 2,765. There are 1,782 persons who have less than a university education and there are 757 persons who have university degrees. The number of single persons is 2,687; the number of married persons is 8,658; and the number of widowers and divorced persons is 676.

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OPPOSITION PARTY ECONOMIST DISCUSSES ECONOMIC PROBLEMS, REFORMS

Cairo AL-AHALI in Arabic 8 Jun 83 p 5

[Article by Dr 'Amr Muhyi-al-Din: "How Can Egypt Get out of Its Economic Crisis? The Economic Problem and the Political Choices"]

[Text] AL-AHALI is continuing to publish the opinions of Egyptian economic experts on the current economic crisis and ways of getting out of it in the context of alternative policies to the ones that led the country into this crisis.

In this issue, Dr 'Amr Muhyi-al-Din, member of the Economic Committee of the NPUG and professor of economics at Cairo University, presents his notions on the issue of increasing production, and its political, economic and social aspects.

In this and following articles, I would like to state a number of points around which debate and controversy have been raised, to the degree that I am able to do so, and I would like to raise a group of issues that must receive our attention and be the object of calm, serious discussion, that is, to present issues which will try to distinguish between what is called the technical nature of the problem and its political content. At the outset, I would like to refer to two extremely important points.

First, the prevailing economic situation at a specific moment of time is the outcome of a group of decisions which are adopted by productive and consumer units and economic policymaking agencies, in terms of their effect on the decisions made by those units. Consequently, a continued structural disruption in features of the national economy means that the group of policies and decisions that led to the formation of this economic situation are responsible, above all else. Therefore, our constant criticism of successive National Party cabinets has been on grounds that they are responsible for this situation, and its continuation.

This is on the one hand. On the other hand, this criticism does not mean that we do not see or acknowledge that positive steps have been taken. No one will deny that there have been positive directives made in the area of guiding imports which started a while ago, and in the area of credit, through the use

of the interest rate to distinguish among various fields of spending, that there have been attempts to draw up some measures to encourage certain private and public sector exports, and also that there has been a review of the role of the Central Bank. No one will deny that the fact that the plan document has come into existence is an event that we welcomed and supported, at least on grounds that it would create a general framework of commitment, which is something we have been lacking for some time.

An Example of a Difference in Opinion

The grounds for the dispute between us is that we consider that the continuation of the prevailing structural disturbances in the Egyptian economy will lead to the fragmentation of the bonds of this economy and consequently the measures and solutions proposed must be structural in nature: in other words, the measures and policies that are adopted must deal with the roots, and their influence must not be confined to peripheral matters.

Let us take, for example, imports and the monetary sector in Egypt. Spending on imports without the transfer of hard currency increased in the first 9 months of this year, 1982-83, by about 42 percent in comparison with the previous year. While there were noticeable changes in the structure of imports without the transfer of hard currency, since the relative importance of means of transport declined somewhat and the relative importance of the other elements in the structure (such as food and other consumer goods) increased over their previous level, and indeed spending on these increased this year (the first 9 months) by about 18 percent in comparison with last year, no doubt any economic official will agree with me that the importation of more than 70,000 cars a year in a country in economic circumstances like Egypt's is something that requires a pause for reflection on the part of all of us.

Someone who follows the figures on the balance of payments will also observe an obvious slowdown in these imports as far as investment goods go; this slowdown is obvious when compared with some components of imports. That is a matter that will indisputably be reflected in the rate of growth of productive capacity.

A Review Is Needed

In summary, one can state that we are claiming that imports must be guided by more radical measures, even if we are compelled to make quantitative restrictions, however much the professional mourners might cry, and that there must be a review of the system of imports without foreign currency transfer, a review of Port Said as a free city, and so forth.

The restoration of an effective role to the Central Bank is a matter which we have long been waiting for. However, monetary reform essentially dictates the remedy of the general budget deficit and the return of that deficit to safe limits, on grounds that it is basically responsible for the increase in the money in circulation. In addition, the restoration of the bank's role will require the imposition of dominance over all sources of money supply in the national economy without exception, the elimination of schizophrenia in the monetary sector, the restoration of sovereignty to the Egyptian economy, the

ending of the dollar orientation of the domestic economy, and a radical review of the role of foreign banks and their destructive role in our domestic economy.

We welcome all attempts to increase exports. Increasing public or private sector exports will have a direct and indirect multiplier effect. However, we might disagree with the platform and the method and extent of its effect. We have numerous observations on the extent of its internal harmony. We also differ with it over the policies it contains and the measures it comprises, if there are any. We also consider that the spending pattern contained in the plan does not really address itself to the questions raised regarding a long time frame.

This is as far as the first point goes. The second point on which I would like to eliminate all confusion concerns technical solutions and political choices. This is because there are people who imagine that it is possible to present a group of technical solutions to our economic problems in isolation from the political, social and economic context in which these measures and solutions are adopted. These technical solutions to economic problems, as these people imagine them, can be a successful, remedial cure, regardless of the system that prevails, whether it is socialist or capitalist. That is a position which many international organizations, foremost among them the International Monetary Fund, embrace, and a number of Egyptian economists share their view. Perhaps the strange thing in this regard is the fact that the group which calls for these technical solutions and measures adheres to its position and beliefs even when we emerge from a state of describing and analyzing economic phenomena to a state of recommending specific policies, that is, when we move from the state of reports to the state of making evaluations. There is no argument that during the stage of description and analysis we can confine ourselves to the context of technical considerations, but advancing to the stage of recommending specific policies means entering the stage of choosing among alternatives and therefore the need to specify criteria of choice, with all the factors by which that can be affected.

In this regard I remember a famous article Professor Harold Laski wrote in 1931 titled "The Limitations of the Technical Expert." In this article, Harold Laski discussed the risk political democracy faces from the presence of what are called technical experts in the social sciences and the extent of the threat the ordinary citizen faces when professional technical expertise takes the place of political ideologies. Perhaps I am representing a small number of economists who have lived in the context of what is called technical economics or the technical aspects of economics for more than 20 years, but I am more convinced than at any time in the past that the technical expert's job is to help decisionmakers in particular and the society in general carry out the process of political and social choice, and not through the presentation of technical solutions. These technical solutions, if they exist, entail an important political choice. In some of these articles I will select three examples, a few of many, to give evidence for the validity of this statement: these are the issue of increasing production, the issue of subsidies and prices, and the issue of social priorities.

The Issue of Increasing Production

Perhaps no two people will disagree over the importance which the issue of increasing production entails, considering that it is the major issue in any society. As very many people see it, it is the curative remedy to many economic ailments, indeed most of them, such as inflation, budget deficits, balance of payments deficits, and so forth. I have no doubt that there are some issues of a technical character which can be raised in the context of the process of increasing production, such as the type of management, the production technology used, technical aid, and human technical skills; however, on the other hand, no slogan has excited me as much as increasing production has. That is because increasing production, much as it might seem to some to be a technical issue, basically is one that involves political and social choice to a high degree. Indeed, it is the paramount issue, as I see it, and as other economists see it. Increasing production can take place in the context of two systems or two methods, or by the use of two techniques.

The First Technique

The first technique is the one which brings about an increase in production by getting productive units to respond to material incentives, that is, to pricing incentives. It is a system which relies on the mechanism of the market or is more successful in those economies in which that mechanism dominates. However, the choice of this technique is also possible in the framework of government ownership of the units of production. It entails a sociopolitical choice, since the choice of this technique involves extremely important results which affect all facets of society. Ultimately it is a matter of the goal society intends to achieve, that is, it is a matter ultimately of the audacity of the national goal. Let me give a clear example of that.

The countries of the European Common Market became convinced, after thorough study, that one of the important strategic weapons which would dominate the arena of international conflict in the coming era was that of food. Europe did not want to be kept from exerting influence in the arena of the struggle or be deprived of the possession of this weapon. Thus, from the early seventies the Common Market countries unified their grain and wheat pricing policies and decided to apply a severe protectionist policy which was embodied in the imposition of a local price for grain (such as wheat) that would be about 50 percent above the world price, while providing adequate subsidies for grain exports. The Common Market countries, in the past and in modern times, have been net importers of grain such as wheat and corn. By virtue of this policy, production increased and consumption dropped to levels which no one had anticipated, and the Common Market countries evolved from net importers of grain in the seventies to the third biggest source of wheat in the world.

In spite of the opposition of all international organizations to this pricing policy, and in spite of constant screams from the GATT organization that this protectionist policy represented a blatant violation of its agreement and would lead to the redistribution of world income and the poor distribution of resources on both the local and international levels, the countries of the European Common Market continued to impose this policy. In spite of this policy's blatant contradiction of technical principles and rules, economic

principles and thinking which have become the object of consensus in Europe -- economic thinking which dominates even in international organizations -- this policy has prevailed.

These economists who are calling for technical solutions have had no problem justifying this situation, which contradicts all the rules that have been agreed upon. They recently discovered that the social payout to be derived from the external effects of this policy, as represented by the political payout of Europe's possession of this strategic weapon on the international stage, and the influence it exerts, transcends the harmful effects which result from the maldistribution of resources and the disruption of the structure of resources in the international and domestic contexts.

There is no doubt that we economists have the means and tools by which we can precisely measure production responses to price increases, which enter into the scope of the technical considerations or manifestations of this alternative. However, the choice of this alternative is a purely sociopolitical one, because such an alternative does not mean giving free rein to the forces of the market. Although that is not necessary, it means that permitting such an increase in prices to have its effects on the other segments of the domestic economy will lead to important social consequences, and that is the social cost this alternative comprises, embodied in its effects on the distribution of national income.

The Second Method

The second alternative in increasing production is embodied in the method of non-material incentives. That requires a political, social and economic context of a special nature. It is a more successful alternative in systems of conscious collective discipline. It requires the creation of a national goal and national protection so that material and human resources can be mobilized in its context in a special manner; this policy, to be made a success, demands broad political participation at the roots, and it is necessary to create the organizational framework which will permit positive participation by all producers.

In order to be made to succeed, this policy requires the existence of a political organization with broad mass effectiveness containing political leaders and personnel at all levels who are dominated by the values of asceticism and self-denial. It requires a society in which are implanted values of happiness and prosperity which differ from those material standards which are also a product of European civilization. This policy requires a social and political context which will have the effect of deepening and supporting the feeling of individual affiliation, so that this feeling can be enhanced through individual work within the framework of this national mobilization.

The system of nonmaterial incentives responds more in systems in which the phenomenon of justice in the distribution of wealth and incomes is dominant at least to a point where existing differences may be attributed to effort and labor. Through this state, the sanctity of work as a governing notion in the behavior and tendencies of individuals prevails. In this sort of system, there is no harm in interjecting minor doses of price incentives. These systems are

founded on an integrated way of thinking, which is that price differences (the differences between local prices and international ones) occur in the form of government receipts which are spent in various ways. Through such spending, the government offers producers subsidized production accessories and finished commodities which they buy at a subsidy also. We thus preserve to a large degree the pricing relations which might prevail if the movement of prices were given free rein, but at a reduced level. It is just that in the context of this model, the demon of consumption continues to be imprisoned in a bottle.

There is no argument that the choice of this alternative is a political one which entails significant social results. It is an alternative which has worked successfully in the Chinese and North Korean experiments. The first alternative was carried out successfully in Formosa and South Korea although the degrees of difference between the two models in terms of foreign connections and independence of economic decisionmaking have been extremely immense.

The foregoing does not mean that we must choose between black and white, because in a specific historical stage, in the course of the sixties, we derived inspiration from our actual situation and tried to establish a system which would combine a mixture of those two systems. We tried to create a national objective and strong enthusiasm and to implant a feeling of affiliation by introducing carefully measured successive doses of price incentives. The difference between local and international prices and the volume of the price disruptions were not of a magnitude that prevailed in the seventies. This is not the place now for passing judgment on this experiment, which might be the subject of another study; however, all that one can state is that it is an experiment which relied basically, in particular, in its mobilization, on the popularity of the political leadership and its charismatic personality, without being supported by a political organization with an integrated structure. Therefore, it did not persevere for a long period of time in the face of the external blows delivered against it.

Increased Production and Economic Overlapping

In order for us to state the dimensions of the problem of increased production in the context of the present actual state of affairs in Egypt, we would like to stress that as a result of ill-conceived liberalization policies, overlapping has become the general distinguishing character of the Egyptian economy. One can say that the Egyptian economy can now be broken down into two major sectors, or two subsidiary systems. The first system comprises the public sector and the government, while the second one comprises the private sector in its broad sense (the local, foreign and joint private sector).

The features and distinguishing characters of both of the two sectors differ radically. Each of them has a different price structure, since prices in the former system are determined by administrative decisions and reliance on specific considerations, and prices in the latter system are determined in accordance with the mechanism of the market, that is, the interaction of the forces of supply and demand. Moreover, each of the two systems has a different price structure, in terms of level or method of determination, and each of

them has a different pattern of income generation and a different style of management. In addition, the response mechanisms differ in an obvious manner in both systems. The response mechanism in the former sector or system is administrative decrees, while the response mechanism in the latter sector is the mechanism of the market and the interaction of market forces. If demand increases above the output of the latter sector, that will lead to a rise in the prices of that sector and the entry of workers into it, while the increase in demand for what the former sector or system produces will not of necessity prompt a rise in the prices of its products, or the entry of workers into it, unless orders and administrative decrees are issued to that effect. The former system, in general, produces goods and services whose prices are subsidized. It produces general goods from which everyone benefits to the same degree, defense, security and justice, it produces collective goods which are subsidized (health, education, water, sanitary drainage, and electricity), or it produces intermediary or investment material consumer goods which are subsidized in most cases, if not in all of them. The latter system produces goods and services which are not subsidized, except in rare cases.

The Danger of Overlapping, Economically and Socially

The economic overlapping which our domestic economy is experiencing entails extremely grave economic and social effects. I do not believe that any two people can argue over the fact that the continuation of this situation is something the Egyptian economy will not be able to tolerate for a long period. This situation entails fragmentation of the Egyptian economy in a manner which it will be hard to reform. The matter requires careful calculations within the limits of the prevailing price structure, so that we can ascertain which sector is producing more than it consumes, the former system or the latter. The question which faces us now is how we can move the production process forward in the context of this realistic framework: shall we turn to the latter system (the private sector) and tell it "Let price and income incentives be used as you wish, for you are entitled to them," then turn to the former system and say, "You are the noble combatants, you are the ones who have been assigned the attainment of the national goal, so bear the increased production in the context of nonmaterial incentives?"

Can one imagine that this sort of situation can be achieved in the context of the price, income and wage gap between these two systems? The continuation of this overlapping can kill the spirit of affiliation and the desire to increase production. Is it possible to imagine the results which can be realized, the form of income distribution between the two sectors, and the form of the distribution of personal income, if this situation persists and this policy persists? Perhaps the problem would not have become aggravated, had there not been relations of linkage and exchange between these two systems or sectors. Indeed, the matter would be the opposite, if there were relations of exchange and linkage between these two sectors and their components; these exchanges could take place between these two sectors through legitimate channels, or they could take place outside the legitimate channels, which is what happens at times.

This has led to the emergence of the third sector or the third system within the womb of our domestic economy -- the illegitimate economy, or the illegiti-

mate sector of the Egyptian economy. It is a sector which expanded and grew in a cancerous manner in recent years. It is a sector which is not just confined to exchanges and transfers which take place between the two dominant systems (the private and public); rather, it extends to include other activities. Thus the illegitimate sector becomes a new mechanism for redistributing income from the private system to the public one, that is, from the private sector in its broad sense to the public sector and the government. That is not the subject of our inquiry now; this issue requires special treatment. Corruption in recent years has become an important mechanism for redistributing income and wealth in the society.

The important point that has been presented to us now is how we can work to increase production in the context of this dominant structure. Is it possible to realize an increase in production in the context of this overlap, and how? Doesn't this present us of necessity with an important political choice?

Employees of the government and the public sector receive the products of the private sector (in its broad sense, local, foreign and joint), at prices which are determined by the interaction of market forces, while their wages and incomes are determined by administrative decrees which are remote from the forces of the market. Meanwhile they produce goods and services that are free or are subsidized at prices that are much below market prices. The wages and salaries of the employees of the private sector, conversely, are determined in accordance with the interaction of the forces of the market and, as a result of the ownership of the means of private production, they produce goods whose prices are determined in response to the forces of the market, and they obtain public sector and government products (goods and services) free of charge or at subsidized prices.

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LEFTIST LEADER ASSERTS DEMOCRATIC NATURE OF GROUPING PARTY

Cairo AL-AHALI in Arabic 8 Jun 83 p 5

[Article by Khalid Muhyi-al-Din: "The Grouping between Internal Democracy and the Assertion of 'Marxist Dominance'"]

[Text] Suddenly the National Progressive Unionist Grouping Party, its internal life, its political positions and the names of its leaders have become a subject occupying space on the front pages of the daily papers and political weeklies dominated by the National Democratic Party, which gives them alone the name of nationwide papers and magazines, as if other Egyptian party papers were non-national!

The reason for the sudden change lay not in the positions of the papers and the official MIDDLE EAST NEWS AGENCY, that is, the important political statement issued by the party's secretariat general last 21 May, in which it called on all national and democratic forces to rally around a program of national salvation, and the resolutions of the central committee and the emergency general conference of the party (last 24-25 March). Rather, the reason lay in a decision taken by one of the leaders and founders of the party, Dr Yahya al-Jamal, to present his resignation from the party last 20 May. This resignation was written in a message of one line and delivered to me in the morning of Saturday 12 May.

The papers raced with one another to report on what they called "a serious rift in the Grouping Party," a state of "fragmentation, dissension and conflict," the hegemony of the "Gang of Four" over the party newspaper, AL-AHALI, the "internecine combat and contradiction among nationalist currents within the Grouping," the "dominance of the party by Marxists," and the dispute over the party's political line, its position regarding President Husni Mubarak, and so forth.

The party, leaders and members both, chose in the course of the past 2 weeks to turn away from this media "tempest" and to deal with a position one of its leaders had chosen by correct organizational, political and moral means. We have adhered, and still do and will adhere, to this firm position of principle.

However, the party's members, masses, allies, friends and even adversaries still have the right to hear a word from the National Progressive Unionist Grouping Party. This statement is basically not connected to the person and position of Dr Yahya al-Jamal. The declaration issued by the central committee secretariat last Saturday (published in this issue, Page 10) stated the party's position on correct organizational and political bases, but that statement revolves directly and basically around certain matters which the government media have propagated and reiterated in a blatant attempt to cast aspersions on the party, its leaders and its policies.

I will content myself with noting down a group of observations which I believe will illuminate the path for people who are seeking the truth, whatever their position and affiliation might be.

Unity on the Party's Positions

For 7 years and 2 months, which is the age of the party to which we are all honored to belong, there was no dispute between Dr Yahya al-Jamal and the programs, positions and policies the party set and the documents it issued, whether they were the general program of the party, the resolutions of the general conference and the central committee, political declarations and statements, material published in AL-AHALI newspaper or any other documents. In this regard there is no difference between what the party issued before 6 October 1981 and what it issued after President Mubarak assumed the position of the presidency.

In fact, Dr Yahya al-Jamal participated in the formulation of basic documents and declarations, including the political statement issued on 31 May 1983, by virtue of his position as secretary of the political committee. He specified the party's position on recent political developments.

Dr Yahya al-Jamal was the chairman of the session of the secretariat general of the party and the person who made the recommendation, which it passed unanimously on 25 April 1983, "giving thanks and appreciation to the board of directors of AL-AHALI and its editorial board for the efforts they have made, which led to AL-AHALI's success in expressing accurately the party's policy, and for its success among the masses, in spite of the difficulties which surround the party press, especially AL-AHALI."

The party documents record that the gentleman did not vote against any of the resolutions and statements of the party at general conference or central committee sessions or at the meetings of the secretariat general and the secretariat of the central committee. Indeed, he did not have any reservations about any of them.

Dr Yahya, in his meeting with the central committee secretariat last Saturday, 4 June, and in the statement which was issued by this meeting, which he signed, confirmed this fact.

After all this, can we believe what the media of the ruling party are saying, that there is a political dispute over the party's positions and political choices?

Democracy and Differences of Opinion

Anyone who has a reasonable grasp of political and party activity will realize that in any party, even if it is governed by a single ideology (intellectual doctrine), views and individual interpretations will proliferate in the face of every new political situation it faces. In this regard there is no difference between a ruling party or an opposition party. The party which ignores the differences in opinion within itself, indeed intellectual or political struggles, is deceiving itself before all else.

However, the criterion by which we can distinguish between a party in which internal disputes and differences are turned into blocs, the formation of cliques, and schisms, and a party which is led by internal disputes and differences to a common vision of actual conditions and agreement on political positions, is the internal democracy in the party.

We, in the Grouping Party, a party which contains leaders and members from different intellectual roots, have the right to be proud of the internal democracy in the party and the advanced level at which the intellectual and political struggle in its various institutions goes on.

The party was established as a "platform" on 29 March 1976. Its first founding board met on 10 April, that is, just 12 days later, to elect the first secretariat general of the party. The founding board continued to hold periodic meetings until the first general conference of the party, which was formed by elections from the base to the summit, met on 10 April 1980. It issued the bylaws which govern all party levels. The central committee (202 members) was elected and meets three times a year. That in turn elected the secretariat general (45 members), which meets every 2 weeks, and the secretariat of the central committee (17 members), which meets weekly. In their meetings, these boards discuss all the issues and problems of the nation and the party and issue their resolutions.

Anyone reviewing the party documents (and they are all in existence, thanks to God, in spite of the police raids on the party's headquarters throughout the term of the former president, Anwar al-Sadat) will find that all political resolutions were issued, in spite of any serious disputes or arguments, unanimously or by a majority that was close to unanimous.

We have the right to ask the people who talk about dominance, challenge, and the Gang of Four within the Grouping where they stand regarding this democracy, and why a current, group or force within the Grouping should resort to a rift or schism when all the ingredients of dialogue and democratic choice are available to them.

Marxist Dominance -- How So?

The enemies of the Grouping, and sometimes some of its friends and members, find it congenial to insist on stating that a Marxist current dominates the leadership of the grouping, and therefore that there is a failure in the Grouping's formulation in practice, in the face of the marxism that is

practiced. Naturally, the goals of the party's enemies in raising this issue differ from those of its friends and members.

Our party, as usual, is not afraid of anything. It believes that its masses have the right to know everything about it. We do not consider "what goes on in the wings of internal party activity" to be a secret which must not be divulged, and we do not want Egyptian parties to be mere codes whose symbols it is hard for the reader to crack, as the enemies of the party say.

If these people themselves adhered to some of what the assumption of the responsibility of public action demands, and were careful to read before they wrote, they would realize that the Grouping took the initiative of presenting the "Grouping formula" and everything that was raised concerning it inside and outside the party for public discussion on the pages of AL-AHALI. Our colleague 'Abd-al-Ghaffar Shukr wrote a lengthy study on 8 September 1983 [sic] in the newspaper under the title "The Grouping Formula and the Contents of the Stage." He called for an open discussion in AL-AHALI in preparation for the second general conference. Participating in the dialogue on the pages of AL-AHALI were a number of party leaders and members, of whom I might mention Dr Muhammad Ahmad Khalafallah, Dr 'Abd-al-'Azim Anis, 'Abd-al-Hamid al-Shaykh, Aminah al-Naqqash, Dr Ibrahim Sa'd-al-Din, Husayn 'Abd-al-Fattah, and Dr Milad Hanna. He stated, truthfully, that the presentation of the issue for discussion "will also articulate the democratic nature of the party and the courage of the editorial board of AL-AHALI, because it will present Egyptian public opinion with a picture of the struggles and dialogue that take place in the wings of the party among its various currents, proceeding from the premise that our party belongs to the masses of the people of Egypt."

How, then, can there be dominance by a specific current, marxist or other, over the leadership of the party, when this leadership has been elected by the general conference, which was elected by the bases of the party -- which, going by what Dr Yahya al-Jamal himself said, is composed of a collective majority which does not belong to any specific current?

The Grouping, with all its detachments and leaders, has been exposed to campaigns of repression and terror from its birth, starting with the arrest of 400 of its members in the wake of the popular upheaval of 18-19 January 1977 and proceeding through the seasonal campaigns of arrest throughout the years 1978, 1979, 1980 and 1981, which reached their peak in the great campaign of arrests of the leaders of our party and all national leaders on 3 September 1981 and in October 1981. This is above and beyond the harsh campaigns of persecution of the members of the party at their jobs and in their places of residence and mass action, the confiscation of the newspaper AL-AHALI, the publication AL-TAQADDUM and the party publications, the attack on the headquarters of the party, the confiscation of its assets, the unjust smear campaigns on the pages of the newspapers, and so forth.

There is no doubt that the party members and leaders who stood fast during these 7 years, whatever their intellectual origins and roots, are members of the Grouping, are truly expressive of the party, and are sincere members of the Egyptian people and the Arab nation.

Nonetheless, if there has been a feeling among some people, whether large or small in number, regarding the power and influence of a given current within the party leadership, perhaps as the result of the perseverance of the members of the party after the January 1977 events, as Dr Yahya al-Jamal said, dialogue and the rules of democratic action which have become the subject of unanimity within the party are the only means for dealing with that.

The verdict in the end over any party, its style, its orientation and its choices, is not the volume and role of a specific current in the leadership formations, which are internal arrangements which are subjected to the level of activity and movement and are subject to change and replacement; rather, the verdict over parties is founded on their basic policies, their positions, and the extent to which they express the components of the party. This is something which is achieved through broad agreement within our party.

Once again, we are not hiding our heads in the sand. The party has debated, more than once and at more than one level, the formula of the Grouping and relations among the currents in it. However, we truly consider that this is not our only issue. There also is the issue of the mass nature of the party and its connection with domestic conditions, the problem of political action in Egypt, and the aversion of the majority of the citizens to membership in any party and participation in political action and the general elections, as a result of the non-democratic conditions which the practices of the authorities brought to the fore over many long years.

Our party's emergency conference, on 25 March, decided to postpone the second general conference to April 1984 (a year later) to bring about "more political and organizational unity and greater mass effectiveness." It resolved to open up the dialogue "in the proper democratic organizational context, lest it deviate from the scope of the party," regarding the issues which the developments of Arab and domestic events have underlined, namely:

The nature, true state and goals of the struggle within the existing regime in Egypt.

The nature of the main stage of the domestic struggle in Egypt -- "the economic crisis, the crisis of democracy, the national issue."

The nature of the levels of front-based action.

The party's vision of the future of the Arab-Israeli struggle, its central issue, Palestine, and the national dimension of the Palestinian people's cause.

A Program of National Salvation

There remains one observation related to our position on Dr Yahya al-Jamal's resignation. The party, with all its currents and detachments, has asserted that he is a colleague whose long association in the course of the hard years of struggle in the life of our party, which is more than 7 years old, we cherish. However much people's visions and approaches might differ, our relations with all nationalistic forces and personalities in the party or

outside, foremost among them Dr Yahya al-Jamal, will continue, for the sake of successfully rallying all nationalist forces about a program of national salvation which Egypt needs, which will seek to assert democracy, liquidate the parasites, eliminate and uproot corruption, cope with the economic crisis, stop the constant deterioration in the standard of living of the masses, realize the country's national independence, put an end to its foreign subordination, and return Egypt to its role of leadership in resisting colonialism and American-Israeli hegemony in the Arab nation.

A final word. Some people, in the context of the resignation and the media commotion surrounding it, true or false, have bet on the existence of political disputes within the Grouping. It is my duty to assert to everyone that all the party leaders and members, indeed its friends, those who concur with some of Dr Yahya al-Jamal's reasons or differ with them, are united in a position in principle on existing policies. Everyone, including Dr Yahya al-Jamal, rejects the laws restricting freedom, the reduction of basic freedoms, foremost among them the freedom to form parties, issue papers and assemble and union freedom, and intervention and fraud in the general elections. Everyone rejects the parasites and their economic policies, which have led to the economic crisis, the deterioration in the standard of living, the insane rise in prices, and the monopoly of wealth and power by the few. Everyone rejects the Camp David platform and agreements and American and Israeli hegemony and adheres to the right of the Palestinian people to establish their own independent state on their territory under the leadership of the Palestinian Liberation Organization, the sole legitimate representative of the Palestinian people.

In my view, that is the gist of the whole situation.

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LOCAL AGRICULTURAL EQUIPMENT PRODUCTION

Cairo AL-AHRAM in Arabic 11 Jun 83 p 13

[Article by Husayn Shahbun: "Manufacturing Agricultural Machinery with Egyptian Expertise and Local Raw Materials"]

[Text] Dr Yusef Wali, the minister of agriculture, will visit today the mechanical training centers in which new agricultural machinery is designed. This visit is of special importance. Egyptian expertise has succeeded in designing six new and modern agricultural machines for the cultivation of potatoes and various grain crops, along with their harvesting, fertilization and irrigation, in addition to creating and designing modern equipment for irrigation through sprinkling, suitable for small areas and field and garden crops that require normal and limited amounts of water.

What is new is that all this equipment operates with high economical efficiency and surpasses in operational efficiency their imported counterparts. The most important point is that they are built 100 percent from local materials, and the design and construction of the prototype was done solely with Egyptian expertise. Their tests were very successfully accomplished on large land areas, under Egyptian agricultural conditions, and in accordance with the expertise of those who operated them, after a rapid and limited training program. The test area for the wheat harvesting, threshing and winnowing machines totaled 2000 feddans, which gives hope for the success of the program to build agricultural machinery for large areas of land. Furthermore, expansion of the use of this equipment is helping to solve problems of clearing up crop residues and preparing the land for subsequent cultivation. They also reduce the costs and loss from production, as well as achieving improvement of productivity and improvement in the use of resources and requirements of agricultural production. The minister of agriculture and food security, Dr Yusef Wali, says: "The changes that have occurred in the agricultural sector, during the past few years, have been rapid and continuous. It is no exaggeration to say that the importance of them, or rather, the great significance of them, is their pertinence to the agricultural workforce. The crux of the problem is the increasing rate of agricultural labor emigration, whether abroad or to other domestic

sectors. This has led to a scarcity of workers and an inordinate rise in wages, accompanied by a decline in worker efficiency and productivity. Ordinary workers are doing tasks and agricultural processes which require skills and expertise that they do not have.

These changes have occurred rapidly and have led to a critical decision for the agricultural sector as a whole, whether to make up for the quantitative and qualitative shortfalls in the labor force, or to expand the use of machinery as an ideal solution that would also achieve the modernization of agricultural production processes and increase production. "For these reasons, the solution in the first stages was to concentrate on importing agricultural equipment from abroad. This course had its dangers, for several reasons. For example:

*The equipment used was designed to suit other conditions and was not completely in accord with Egyptian agricultural conditions.

*Some of the equipment used was outwardly successful and pleased the farmer. However, we as experts were aware that they were not the ideal machinery. The use of one kind of harvesting, threshing and winnowing equipment, with respect to the wheat crop for example, could lead to an increase in the percentage of lost grain. The peasant does not understand this fact, while the decline in the final production of grain might be attributable to other factors.

"Therefore, my decision was to go in the direction of designing equipment compatible with conditions, raw materials and expertise available locally, and to give this direction the required priority. At the same time, we were to work toward developing foreign machinery, so as to increase their operating efficiency under local conditions. My direct instructions were that, in accordance with a specific plan, we would aim at creating a strong domestic industry for farm equipment."

Dr Ahmad Farid al-Sahriji, director of machine projects in the Ministry of Agriculture, said: "In light of those goals, which were set by the minister, we had to begin researching design and development in accordance with the Egyptian agricultural reality and conditions and to maintain priorities in accordance with their effect on agricultural activity. The basic problem was and still is clearing the ground of the remains of the previous crop and preparing it for cultivation of the next crop. It is well known that delaying clearing the ground will result in delaying subsequent planting. The fundamentals of agricultural activity determine early planting. Therefore, the subject of stalk clearing equipment and equipment to harvest, thresh and winnow grains, was one of the most important subjects to occupy the minds of the team of experts, especially since the smallish areas require equipment not meant for larger areas. It was clear from the statistics that areas of less than 5 feddans represent about 80 percent of agricultural holdings, while our studies confirmed that 20 percent of these parcels could be cultivated using large capacity machinery, which was the reverse of the prevailing trend. The efforts of Egyptian experts resulted in the design and production of

six agricultural machines through 100 percent Egyptian labor, expertise and raw materials. The costs were amazing, which gives hope for the possibility of every farmer, no matter what his station, owning the machinery necessary for his agricultural work.

"The project has succeeded in designing and building a threshing and winnowing machine for wheat, rice, sweet corn and beans, with a higher productivity than all the machines presently being used. This fluctuates between 500 and 1000 kgs, depending on the type of crop. It is attached behind a tractor, and can be transported from one field to another in a short time, without requiring bringing the crop to the threshing floor. In addition, it reduces the losses that occur when the crop is transported before the threshing process takes place. It is worth noting that the cost of threshing and binding a feddan of wheat is up to 104 pounds under the present system. This can be reduced to only 33 pounds with the proposed system, and 19 pounds by using local machines, when they are completely manufactured locally.

Dr Zakaria 'Abd al-Rahman al-Haddad said that the most important machines that have been designed and manufactured locally are the following:

- * A machine to level and to prepare the ground for leveling and tilling. This allows the development of the field irrigation system for beds and [butun?]; which now belongs to the irrigation system with lines or long strips, according to whether the cultivation pattern is in lines or in beds and rows. Consequently, this machine helps to open the door for mechanizing the rest of the agricultural processes, such as furrowing, tillage and harvesting. It does not require a high-powered tractor; using a small 50 hp tractor is sufficient. This machine costs between 300 and 400 pounds.

- * A seed drill for small farms, which costs no more than 150 pounds. This is for clover, beans, wheat, flax and cotton crops, and it is capable of putting the desired number of seeds in the spots and at the depths required, as well as covering them. It can be pulled by either animals or any small motor.

- * A sprinkler irrigation system for small plots of land. It is especially suited for field or garden crops with normal or limited water requirements, such as lentils and peanuts in small holdings. This costs between only 500 and 600 pounds.

- * A combination fertilizer and irrigation system, which costs only 7 [as published] pounds. This provides the labor required to spread fertilizer, and guarantees even distribution along with the irrigation water to each plant, while avoiding losses.

- * A machine to cultivate potatoes, since the machines produced for this purpose were designed for homogenous seed potatoes in terms of size and shape. This was a basic problem in using a machine to plant potatoes. Project experts succeeded in designing and building the prototype for a machine to plant potatoes no matter what size or shape the seedlings are. It costs no more than 500 pounds.

One final word. The efforts adopted by the Ministry of Industry and the Manufacturing Board must be completed. Moreover, the Investment Board should be made available for this purpose, in order to put brochures and the results of studies and designs into the hands of investors. All possible inducements and facilities should be offered to the private sector to get it to go in the direction of producing and manufacturing these machines and equipment and to generalize their use. It is sufficient to say that they are made from Egyptian materials and can be manufactured, used and maintained without any problem. In addition, Dr Yusef Wali stressed to me that the ministry would place all its resources in the service of any project to locally produce and manufacture these machines. Furthermore, it is implementing a plan to train operators for them, in order to guarantee their efficient use. We cannot ask the man for more than this. We are waiting for the response of Dr Muhammad Gharuri, the minister of industry, and Dr Wagih Shindi, so that we can learn what the ministries of industry and investment will offer to take advantage of those efforts and to give impetus to agricultural development projects, in order to achieve wealth and prosperity for the people of Egypt. Suffice it to say that, for its part, the Ministry of Agriculture has trained 2,213 engineers, assistants, technicians and workers of various kinds. Its plans also include the establishment of 30 mechanical training centers in six provinces for training on these machines.

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PROMINENT PHYSICIAN, FEMINIST DISCUSSES LACK OF FORUM FOR DEBATE OF ISSUES

Cairo AL-MUSAWWAR in Arabic No 3057, 13 May 83 p 49

[Article by Dr Nawal al-Sa'dawi: "The Judge Who Is Missing from the Courtroom"]

[Text] Striving for an impartial dialogue and recognizing
the need for opinions and counter opinions....

Despite centuries of colonialism and oppression, the Egyptian people, both men and women, still have that intuition or that ability to distinguish between what is right and what is wrong or between what is good and what is harmful.

People know intuitively that what is good is what is good for the people and what is harmful is what is harmful for the people. This self-evident fact does not require extraordinary intelligence. This fact can be grasped by a person with normal or intuitive intelligence or it can be grasped by intuition, which is a blend of reason and feelings, or a case of the mind and the heart put to a test and working together.

And yet no mechanism has been found to express in writing in national or opposition newspapers what people know by intuition. Evidence for this lies in the fact that during the days of 'Abd-al-Nasir and then during the days of al-Sadat national newspapers did not talk about those who were imprisoned without an investigation and without due process. The innocence of those people was established later.

Opposition newspapers do not articulate what people know by intuition. Their pages are still devoted to the intuitive knowledge of the few who control every party and even to the fewer people who control the party's newspaper.

What Is Shameful?

If the line that separates what is good from what is harmful and what is moral from what is shameful is that which determines whether something does or does not serve the interests of the people, then the people must be represented in any assembly or meeting to express their views on any problem or issue.

The obvious fact is that most of the people are still missing from the scene of contention and controversy over morals, taboos, the press and writing.

Between the Authority and the People

It is self-evident that the People's Assembly is to be chosen by the people or that people are to be elected to that assembly in free elections in which all the people, men and women in rural areas and in cities, would take part without exception.

The Judge and the Defendant Are Missing

We note the following from our observations of what transpired at the meeting of the Supreme Council for the Press which was held on 27 April 1983.

1. The judge was missing. The judge here is the opinion of the people. Due to its makeup, the council does not represent the opinion of the people.
2. The defendant is missing.
3. Those who spoke the loudest at the meeting, or the numerical majority, made hurried judgments without making an inquiry.
4. An objective rational contingent wanted to form a committee of inquiry before making a judgment, but that contingent was a small minority.
5. The opposition was beleaguered by those who wanted a decision and those who did not want one.
6. Women were silent.
7. Young people were missing.

Thus, the condemnation that came out of the meeting without an inquiry was logical.

Why Is There Confusion between the Ruler and the People?

During the Middle Ages it was the Pope, the [head] of the church, who appointed or deposed a king or a ruler. The Pope believed that he [represented] the people. But people later realized that neither the Pope was nor the king [represented] them. The people realized that the struggle that went on between the king and the Pope had nothing to do with them. It was a struggle between the king and the Pope for power and wealth.

Therefore, people separated religious power from political power and from the power of the people.

The separation of powers became a fundamental principle in any country in our contemporary age. However, this separation is generally still unclear in Arab society. This is because clannish, tribal and patriarchal values have not disappeared altogether from our cultural and social climate.

The tribal chief was a grandfather or a father; he was one person, but he [represented] everybody. Therefore, he was almost sacred, and his authority was absolute like that of a god. No one opposed him, and no one questioned him. But in

our modern age, despite the fact that the notion of political opposition has become established, some rulers in our Arab countries occasionally try to view the people as a family and a ruler as the father or patriarch. They do that so they can have all the power; they do that to make it impermissible for anyone to question them.

Those who insist in every age that a ruler and the people are one and the same and that anyone who insults a ruler insults the people are taking us back to the Middle Ages.

The Existence of Opposition

One of the most significant drawbacks of 'Abd-al-Nasir's age may have been the disappearance of opposition from our public political life. And one of the most significant positive factors of al-Sadat's age was the return of opposition. One of the most important reasons for al-Sadat's fall may have been his strike against the opposition and the fact that he put members of the opposition in prison in September 1981. And one of the most significant positive features of Mubarak's age is the return of opposition.

The opposition may still be weak, operating under the thumb of the authorities and influenced less by the people, since it was not born in a normal popular manner and is not being given the full opportunity to breathe, to learn and to grow. It cannot also derive [any] benefits from the opportunities that are available to it.

Nevertheless, the opposition exists. It must exist, and it must grow. It must not be struck down. Striking down the opposition is a dangerous matter, and abolishing it would be even more dangerous.

The absence of opposition only means that we as a nation and a state are missing from the political picture of the age; it means we have gone back to old times.

The Modern Political Age

Connections are now being made between modern political science and other social sciences and humanitarian subjects. Freud was the first one to link psychology with politics when he used a theory of psychoanalysis [in an attempt] to understand the conduct of the 28th president of the United States, President Woodrow Wilson, and of other politicians. However, developments in both psychology and politics scuttled this unscientific approach to analyzing politicians. It became evident that such an approach created a kind of self-justification or social irresponsibility toward the conduct of rulers. Consequently, they were not questioned about their actions. In addition, that approach ignored many other factors which may have more influence on the conduct of human beings. It ignored such factors as psychological complexes in one stage of childhood, the Oedipus complex [for example]. It was found that a person's life was influenced by all the stages of his life and not just by his relationship with his mother or his father. There is the relationship one has with one's brothers, sisters, and colleagues in school. There is the relationship one has with one's wife or husband; there are work relations; there are general cultural factors and one's heritage; and there are the domestic, local, foreign and international pressures of politics and economics. In addition, there is a heredity factor and the factor of other variable

acquired personal characteristics that change constantly as circumstances change and as unexpected incidents occur.

Memoirs, Facts and History

What is the difference between a book of personal memoirs, a book of factual accounts and a book of history?

These three stages--memoirs, factual accounts and history--are interrelated; they are separated by an important factor: time.

True facts will vary from time to time. In the past it was an accepted fact that the Earth was stationary. Those who said that the Earth revolved around itself were burned to death. Truth is relative, and knowledge is also relative; it is always changing with new discoveries. However, time, like people, is the judge of that. This is because it is the people who will endure through time. They are the ones who will ultimately judge those facts since they cannot do so now.

Morals and Politics

Do morals change as politics change? Can one individual, if he becomes a ruler, unilaterally change the morals and values that constitute what is good for the people? If this is occasionally the case, then we are facing morals that change from one ruler to another, and we will have to rely on the general, human moral code that advises us to start with ourselves. No one will disagree with the fact that any human being, ruler or subject, man or woman, must examine his own conscience before questioning anyone else. No one may question another person and refuse to examine his own conscience.

In our societies, however, it is difficult for one to examine his own conscience because the interests of the more powerful prevail over the interests of the people. In our societies the notion of a ruler's authority is still confused with the people's authority and with divine authority. Therefore, a ruler sometimes believes that he is entitled to question others but that others do not have the right to question him. A ruler is not the only one who thinks that: everyone who presides over a large or a small organization turns into a god or a pharaoh, believing himself to be entitled to question others and yet above being questioned by other people. This is what happens to everyone who comes close to power.

A person's ability to be critical is weakened as he gets closer to power. He becomes more and more inclined to overrate the virtues of the existing power and magnify the vices of those outside power.

Magnifying the heroism of a ruler is the same as going too far in one's betrayal of that ruler. A person thus condemns himself to duplicity: part of him seeks to approach power, and another part hates it and tries to stay away from it.

It is this duplicity that generates conflicting articles by authors or journalists; it is this duplicity that generates articles or positions that change when rulers change: supporting the ruler one time and opposing him another time. It is this duplicity that creates elusive positions in the homeland or abroad, making writers resort to silence when words are essential and making them talk when people expect them to be silent.

This is not the problem of one, three or four writers; it is the problem of power and those who come close to it. It is not the problem of the people and those who come close to them at the risk of losing power, position, fame or liberty.

8592

CSO: 4504/469

AL-TALMASANI DISCUSSES ROLE OF WOMEN

Riyadh AL-DA'WAH in Arabic No 896, 30 May 83 pp 28-29

[Interview with 'Umar al-Talmasani by Jabir Rizq: "Mr 'Umar al-Talmasani Talks about the World of Contemporary Women"]

[Text] No other system in ancient or recent times has given women a position as far-reaching as that which the Islamic system has given them. In no other society did women gain rights such as those they gained in early Islamic society and the holy texts of the Koran, the noble Tradition and historical facts attest to that fact.

However, the Islamic nation went through a period of time during which it deviated from Islam. It declined, deteriorated and became backward. It was conquered by notions, views, values, morals, habits and traditions that have nothing to do with Islam. These notions, views, values and morals, which were reflected on the world of Islamic society, rubbed off especially on Muslim women and that made them a destructive element and a tool that was used to tear down and destroy everything Islamic. With the Islamic awakening that is prevalent today among the Muslims of the world, Muslim women began reconsidering the reality of their world in light of Islamic notions and views, and they began their quest to regain their original identity. However, this quest which contemporary Muslim women have to make to regain the Islamic identity that was determined for them by their Divine Lord requires that they have deep faith, an unshakable will and a strong sense of determination.

In an interview with Mr 'Umar al-Talmasani the conversation was about that subject.

[Question] Contemporary Muslim women are torn between the Islam they believe in and the temptations of contemporary life that surround them and apply pressure on them outside and inside their homes. What does your excellency think about this situation?

[Answer] The matter is quite easy because virtue is evident and evil is evident. Anyone who wishes to make an enlightened, evaluative and balanced use of the blessing of reason will have no difficulty choosing one of the two. As long as she is a Muslim, a woman can only follow what was required by God and His messenger, may God bless him and grant him salvation. In this regard God did not require anything but that which honors and exalts women. God made men and women

equal in rights and responsibilities. What God made permissible for men, He permitted for women. What He prohibited for women, he also prohibited for men. God Almighty says, "It is not for true believers--men or women--to take their choice in their affairs if Allah and His apostle decree otherwise. He that disobeys Allah and His apostle strays far indeed" [al-Ahzab: 36]. Therefore, I see no reason for confusion or for hesitation in making a choice. The fact that the temptations of evil are many or few is something about which women can make individual judgments to preserve their femininity and safeguard their honor and their dignity. Adherence to the teachings of Islam constitutes victory for virtue over the forces of evil no matter how savage these forces are. Furthermore, I do not see Muslim women giving in to the temptations of contemporary life such as mascara, and lipstick; I do not see them painting their fingernails and toenails with nailpolish; and I do not see them exposing their bodies and debasing themselves on the streets wearing clothes that invite contempt and ridicule.

It is the duty of advocates of Islam to make every effort in this area to make a close study of the rights of women in Islam and to make everything clear in this regard that is of interest to women as women. It is the duty of those advocates to analyze all the evils that tempt women and make them turn toward the corrupt and corrupting temptations of the West. When it becomes evident to Muslim women what their religion has given them and the place that Islam has prepared for them in Islamic society, or rather in international society, they will see this clearly and fairly and will no longer be confused. Their confusion will turn into a clear understanding and a comfortable and comforting constancy. They will see that Islam permits women to work and to learn, and it will become evident to them that Islam listens to women and allows them to contribute to the effort to fight for their religion. Islam allows women to do everything they want to do which is not inconsistent with their natural makeup and their feminine nature.

[Question] What about the suspect stance the media has assumed on the veil for Muslim women and the attempts made by the media to distort the image of the veil and to make Islamic dress abhorrent?

[Answer] The media that distort virtue and modesty in dress or in other things are merely tools that are in one of two positions: they are either totally ignorant of Islam, and people are hostile to what they know nothing about; or they are being prodded to destroy the morals, the emotions, the appearance and the substance of Muslim women. There is no doubt that such destruction would have considerable effect on the undermining of an entire nation. God will reckon with such people, and when the nations of those people wake up from their slumber and know who their enemies and their friends are, they will reckon with them too even if they were citizens. Thanks be to God that the more people with ulterior motives attack the dignified appearance and substance of women, the more virtuous, honest and pure women and unmarried girls take the veil.

[Question] What do you think about the employment and education of women?

[Answer] Islam does not prohibit women from working as teachers, physicians, nurses, social workers, writers or journalists. Islam does not prohibit women from engaging in any other work provided that they not mix with men in a manner that does not safeguard them from error. Is there anything in this to disturb or annoy a Muslim woman? Does a Muslim woman want to work as an airline hostess?

We all know what airline hostesses have to put up with from obnoxious passengers. Do women want to shave men's beards and hair in a barber shop? What has come over women's thinking to make them sink to this level of inanity and to let them make such poor choices?

[Question] What about the phenomenon of excessively high dowries?

[Answer] Islam neither permitted nor forbade high dowries. What is intended is to do what is best, particularly since women are not legally obligated to furnish a household. The Prophet, may God bless him and grant him salvation suggests moderation in this regard. He says something to the effect that "Those who are blessed with the most are the easiest to support." We began to see many marriage contracts taking place in mosques. There is no doubt that this [development] precedes moderation in dowries, and that will come in time. In Egypt today many parents of young women do not ask for dowries at all; they let the bridegroom furnish a household as he wishes.

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MINISTER OF FINANCE ON ARAB ECONOMIC INTEGRATION

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 50, Jul 83 pp 50-51

[Interview with Moroccan Minister of Finance Abdellatif Jouahri by Yasir Hilal; in Morocco, date not specified]

[Text] Morocco is the scene of brisk activity on all levels to provide a favorable investment climate for attracting Arab capital, which is regarded as the main choice for completing the course of development and softening the impact of the worldwide economic crisis.

Moroccan Minister of Finance Abdellatif Jouahri reviewed for AL-IQTISAD WA AL-A'MAL the Moroccan economy, the prospects for Arab economic integration, and the future of the world economy. Here is the text of the interview.

[Hilal] How do you assess the actual and prospective development of the Moroccan economy?

[Jouahri] We are facing today a difficult equation based on the need to continue implementing our development programs, on the one hand, and confronting a deficit in the balance of payments and balance of trade, on the other. All this is occurring at a time when the repercussions of unfavorable external circumstances are intensifying dangerously. The deficit in the balance of trade has risen to \$2 billion. It is covered by various sources of income, most importantly by tourism and remittances from Moroccans working abroad that amount to \$1 billion annually. As for the remainder of the deficit, we attempt to cover it (with funds) from international and regional organizations. The Arab Development Funds have also played a crucial role in this regard. In past years we were able, despite the financial pressures resulting from the Saharan War and the worldwide economic crisis, to continue to carry out our development projects, which involved government outlays of about \$2 billion last year. This year, however, we are experiencing increased pressures that are interfering with our development plans. Blunting the sharpness of the impact of negative factors depends on how successful we are in increasing exports and opening new markets, especially in the Middle East and in the fraternal Arab countries. The signs are encouraging in

this respect. We are also attempting to get out of our predicament by concentrating on producing a favorable climate for attracting investments, especially Arab, to Morocco and for creating the sources of financing needed to carry out the projects of the 1981-1985 five-year plan. We have to pass or amend investment laws to provide maximum guarantees and incentives for foreign and Arab investors and to assign a greater role to the Moroccan private sector. Perhaps the most important element in these laws is the nullification of the condition requiring the inclusion of Moroccan capital in any investment project while protecting the right of the foreign investor, even if he owns 100 percent of the project, by utilizing the incentives and exemptions granted Moroccans.

As an initial practical step we organized last year an Emirate-Moroccan investment company with \$50 million capital. We hope it will serve as a nucleus or stimulus for the development of cooperation between private sector investors in Morocco and the Emirates, aside from acting as the starting point for the establishment of similar companies with the fraternal countries where preparations are under way to create a Saudi-Moroccan company. Although the Emirate-Moroccan company's capital was provided by the Abu Dhabi Development Fund and the Moroccan government, it has begun to transfer ownership to the private sector. This is in addition to the Moroccan government's participation in some of the projects. It was a move in the direction of providing the basic elements needed for the company to succeed before it is turned over to the private sector.

Arab Investments

[Hilal] It has been noted that Arab investments, specifically Gulf investments, usually take the form of financial investments, especially in foreign markets. How do you assess the possibility of attracting these investments to Morocco in light of the reality of the financial market there?

[Jouahri] The flow of Arab capital within the Arab world has been the main idea of both the countries possessing capital and the countries receiving it because they firmly believe in the benefit of investments in the Arab market. However, many obstacles are still in the way of investing in Arab countries. This question was very clearly raised at the First Congress of Arab Businessmen and Investors held in Ta'if, Saudi Arabia, where the capital-exporting countries demonstrated the mistakes they made by concentrating their investments in foreign markets. The host countries also engaged in self-criticism that revealed a very serious failure to provide a favorable investment climate. This conference was distinguished by the fact that it made clear decisions all were eager to implement, especially on the passage of unambiguous investment laws in the host countries, on the simplification of administrative procedures, and on the creation of carefully thought out projects (for presentation) to Arab businessmen.

As for financial investments, the field is wide open in Morocco. If we have not paid it enough attention, it has been due to our concentrating on laying solid foundations for investment activity in general, whether for the investment climate or for producing necessary channels like joint companies and mixed banks. However, such institutions shape a future by creating what they see fit in the way of infrastructure or by entering into any investment field.

[Hilal] At the Tunis meeting and Ta'if conference, decisions were made to provide a favorable investment climate as far as investment laws, administrative procedures, capacity of the banking system, multitude of agencies dealing with investors, and participation of the domestic, private sector in clearly defined and carefully thought out projects. Which of these decisions have been implemented in Morocco?

[Jouahri] We began by removing the main obstacle, that is, the absence of or inconsistency in the law laws regulating investments. We did so by passing new laws to provide the Arab investor with maximum guarantees and incentives.

Regarding the great many agencies with which an investor has to deal in order to do business, after the Ta'if conference we undertook to draft a bill to create an administrative apparatus whose function would be to deal with Arab and foreign investors, resolve problems, and execute their transactions. We pledged ourselves to reply within a fixed period of time to the questions and issues raised by investors. As for the banking sector, banking laws exist and the government regulates banking activity.

Decline in Oil Profits

[Hilal] How does the decline in oil prices affect development efforts in the Arab countries and their economic integration?

[Jouahri] The negative effects will be much greater than the positive ones if they exist. The decline in oil prices was matched by an increase in the value of the dollar, the currency in which oil is priced. This cancelled out any benefit for the importing countries. What is more important, however, is that the Arab oil-producing countries, the main financiers of development operations and joint projects, found themselves in a difficult situation. This has had a considerable effect in delaying or freezing some projects and in slowing integration with the Arab non-oil-producing countries, especially since the decline in profits caused the budgets of the oil producers to shrink compelling them at times to fall back on their savings abroad to cover their needs.

The Iraqi-Iranian war may have greatly aggravated the problem because it led to the partial failure of Iraq to play its part as an exporter of capital.

The Arab non-oil-producing countries may be suffering the most because they have no options. Resorting to the international market is impossible in view of the high cost of money there and the WEstern banks' refusal to make more loans to the developing countries. The assistance provided by the fraternal and friendly countries, a major factor in meeting our financial needs, is unavailable now. In compensation, however, there may be some positive sides to this situation, notably, it has forced us to reexamine our economic and development policies by laying sound foundations for Arab integration and cooperation and by abandoning some of the mistaken concepts and policies that we were previously following. As for the Moroccan economy, it had an important impact in that it worsened the foreign debt problem. These debts amount to 25 percent of the total national income estimated at about 100 million Moroccan dirhams. Morocco is trying to pay all its debts. We are preparing a study for the next two fiscal years that is aimed at balancing expenditures and revenues and at continuing the development projects included in the five-year plan.

The stage through which we are passing will have a direct effect on certain projects such as the Arab development agreement that was decided upon at the Oman summit conference where only 10 countries approved it. Its execution may be dependent on our emerging, if only in part, from the crisis. Moreover, the plan for settling the payments between the Arab countries proposed by the Arab Monetary Fund or the Arab dinar accounting plan suggested by Jordan may not be timely because it is assumed a priori that we can establish trade relations between the Arab countries and then think of a way to settle the payments between us.

Reform of the International Economic System

[Hilal] What do you think of the world economy in light of the increasingly serious problems of the developing countries, especially the matter of debts, and the stubborn resistance of the industrial countries to make proposals for reforming the international economic and monetary system?

[Jouahri] To begin with, it is assumed that the industrial countries will change their view of the developing countries as a purely consumer market and source of cheap raw materials to one of a full partner in economic activity. The debts may be an appropriate stimulus to a reconsideration because they threaten to worsen the problem and gravely endanger the world economic situation. Third World debts total \$600 billion at a time when it is less aboe than ever to pay them. Mexico is merely the first link in a long chain of countries that will be incapable of paying.

If the industrial countries continue to bar the door of financing to the developing countries, they will strangle us, but they too will be strangled, for we are in the same boat and if one of us sinks, everyone will sink.

Thus, the infrastructure of some of the developing countries must be reexamined in order to ensure the ideal use of their resources. Moreover, they need to agree among themselves so that they can adopt a united stand before the industrial countries and be able to concentrate on presenting their views on reforming the world economic system.

5214

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INCREASE IN DOMESTIC ENERGY PRODUCTION REPORTED

Casablanca LE MATIN DU SAHARA in French 12 Jul 83 p 2

[Text] Rabat (MAP)--While domestic energy production increased by 5 percent in 1982 (double the rate reported in 1981), the mining sector felt the effects of the deterioration in the international situation during that same year, and to an even greater extent, the effects of the decline in world demand for phosphates, which substantially affected the production and export of such ores. These facts were stressed in the report of the Currency Issuing Institute for the 1982 fiscal year.

After 2 years of decline, extractive activities showed a further shrinkage of 6.9 percent, the document said. Similarly, foreign sales, which had been developing strongly a year earlier, declined in value by 7.4 percent, mainly due to the drop in phosphate prices. On the other hand, the development seen in the energy sector, the report explained, was the result of an increase in the production of electricity and a resumption in oil refining, which in itself, moreover, was broadly linked with the expansion of the needs of the thermic power plants, at which the activity was the more intensive since it was needed to offset the major decline in the contribution of the hydroelectric units. As a result, the rate of dependence on foreign sources increased from 83 to 87 percent, and the oil bill came to the equivalent of more than half of the exports.

Mines: Low International Demand

The sluggish international demand has had an unfavorable effect on extractive activity, which declined for the third consecutive year. Already down 4.5 percent in 1980 and 2.7 percent in 1981, the index sagged again by 6.9 percent following the shrinkage for phosphates, and to a lesser extent, lead and manganese, for which the favorable development of other ores could not fully compensate. As a result, the contribution of the mining sector to the gross domestic product declined from 2.9 to 2.6 percent in 1 year.

In the same period, the world rates for basic products dropped substantially as compared to their 1981 level, parallel to a decline in the industrial activity of the developed countries. However, the increase in the value of the dollar, the main billing currency for our mining exports, offset the effect of the decline in prices. Given these conditions, the value at the pithead (equal to the FOB price per ton of ore less the cost of transportation, loading and unloading from the mine to the shipping port), dropped to

4,172,000,000 dirhams, showing a decline of 10.3 percent due, mainly to the decrease in tonnage from 19.6 million tons to 18.3 million. This development had to do mainly with phosphates, for which the marketable production value showed a decline of 11.8 percent, while the contribution to the total value dropped from 83.4 percent to 82 percent. The figure for the other products also dropped 2.4 percent because of the halt in the extraction of magnetic pyrites and the shrinkage in activity at the lead, manganese and fluorite mines.

Foreign deliveries of phosphates declined 10.6 percent by volume and almost 9 percent in terms of value, and the product of sales of other ores increased only about 2 percent, despite an expansion of more than 18 percent in the tonnage shipped. In all, export income was assessed by the mines office at 4,070,000,000, as compared to 4,397,000,000 in 1981, representing a decline of 7.4 percent. Phosphates alone accounted for 84.6 percent of this total.

Almost 23 percent of the quantities extracted was supplied to local processing units, with the volume slightly exceeding 4.2 million tons. The increase of 10.5 percent is basically explained by the expansion in the demand for phosphates from phosphoric acid and fertilizer plants. However, the value of these products declined to 833 million dirhams, down 3.6 percent because of the halt in the production of magnetic pyrites and the decline in the prices of lead and copper.

In view of the variability of the world market rates and the unfavorable situation for raw materials, the processing of mineral resources, mainly where phosphates and copper are concerned, was pursued.

Phosphates: Morocco Doing Better Than the United States

The extraction of phosphates, up 5 percent in 1981, reached a level of 21.4 million tons this year, showing a decline of 2.3 percent. Marketable production came to 19.6 million tons, showing a drop of 3.4 percent.

In the export sector, the total was 14 million tons of natural phosphates, down 10.6 percent, with an income of 3,445,000,000 dirhams. Exports also included 3.5 million tons of byproducts, the contribution of which to the total continued to increase because of the increasing importance of processed products in the development of world demand.

The prices for natural phosphates declined, the average per ton dropping in 1 year from 49 to 40 dollars, but it was above all the prices of byproducts which were most seriously affected. The world market, where competition remained keen, was depressed, since production and consumption were dwindling.

Nonetheless, Moroccan sales, down only 3.8 percent, were less affected than those of its main competitor, the United States. Morocco was able to keep its decline to only 20 percent, while that of the United States came to about 35 percent.

In fact, the demand from almost all of our partners dwindled, but the geographic distribution of sales of natural phosphates hardly altered. Thus the Western European countries remained the main clients, accounting for nearly 68 percent of the total, although they reduced their purchases from 10.5 million tons to 9.5 million. On the other hand, the Eastern European countries' share declined from 18.2 to 16.5 percent, following a reduction of nearly 19 percent in their orders, while the demand on the Asiatic market, where India and Japan were the main purchasers, increased. The largest buyers remain Spain and France, with 2.1 million tons and 1.9 million tons respectively, followed by Poland with 1.5 million and Belgium with 1.4 million. These four countries account for nearly half of the total shipments.

On the domestic market, the quantity sold accounted for 22.2 percent of the total production, as compared to 18.7 percent during the preceding fiscal year and 12.7 percent in 1980. In fact, after an increase of 50 percent seen in 1981 following the major expansion of the processing capacity at Morocco's Phosphore I plant, supplies to the chemical plants established in Safi further increased by more than 11 percent.

It was thus possible to increase phosphoric acid production to more than 1 million tons, up 37.4 percent, and to increase fertilizer production to 565,000 tons, up 31.4 percent. Exports of these products rose to 664,500 and 432,800 tons, respectively, showing increases of 23 percent and more than 60 percent. Overall, they brought in 2,053,000,000 dirhams, or 26 percent more than in 1981.

In all, the income of the OCP [Moroccan Phosphates Office] group from phosphates and their byproducts came to a total close to that for 1981, and the exchange value they brought in came to 5,498,000,000 dirhams. At this level, they accounted for 44 percent of the export total, corresponding to 83 percent of the oil bill.

Desirous of safeguarding its position as leading exporter, with almost a third of the world trade in phosphates, while at the same time developing its sales of processed products, the Moroccan Phosphates Office pursued the policy in force for several years with a view to winning first place as a world producer and increasing the valorization rate to 30 percent by 1985. To this end, the year was characterized by the equipping of several subterranean landings at Khouribga and Youssoufia, on the one hand, and by the entry of the Ben Guerir deposit into production in March and the resumption of activity at the Boucraa mines in July, on the other. On a parallel basis, the processing potential was strengthened by the commissioning of the Oued-Zem drying plant, with a capacity of 6 millions tons where processing is concerned; improvements made in the Moroccan Phosphore I and II plants with a view to increasing productivity; and also the continued construction at the Jorf Lasfar chemical complex. Finally, in order to make up for the closing of the Kettata mine, to meet the increased need for sulphur which is required for the processing of phosphates, and thus to reduce imports of this product, which totaled more than a million tons in 1982, research was pursued in Jbilet in the southern part of the country.

Energy: Rising Consumption

Reflecting the increase in economic activity, total consumption of primary energy showed an increase of 1.5 percent, following the virtual leveling off seen in 1981, with a total equal to 4,743,000 tons of oil, as compared to the 4,673,000 tons the preceding year.

Oil products covered 87 percent of the demand, as compared to 83 percent earlier, while the contribution made by electricity derived from water power came to only 3 percent instead of 6, and the role of coal and natural gas remained stable, accounting for 9 percent and 1 percent, respectively.

Domestic production, equal to 619,000 tons of oil, showed a decline of 19 percent, so that it only covered 13 percent of the demand. The decline was explained by the 43 percent drop in the production of electricity from water resources because of the inadequacy of dam reserves.

Under these conditions, the energy deficit increased by 5.5 percent, and the rate of dependence on foreign sources increased from 83 to 87 percent. Nonetheless, the tonnage of imported hydrocarbons remained substantially the same as that the preceding year, while the energy bill was up 17 percent, due mainly to the effects of the increase in the dollar.

Also, in view of the volume of subsidies in this connection, the public authorities decided to raise the prices of the majority of energy products, while at the same time pursuing research and development efforts on national resources.

Oil Products: Dwindling Local Extraction

Domestic oil extraction, which continued to dwindle, came to only 15,200 tons. Extraction of natural gas also declined from 84.9 million cubic meters to 78.6 million. In all, domestic hydrocarbon production came to a total equal to 4,095,000 tons of oil, showing an annual increase of 5.1 percent as compared to 0.8 percent for 1981, resulting mainly from the National Electricity Office (ONE) demand for the purpose of compensating for the decline in the contribution of electricity from water sources.

In this overall picture, gasoline sales, probably affected by the price level, remained stable, while sales of fuel oil and gas oil, which account for almost four-fifths of the total, definitely picked up. In fact, consumption of gas oil, which held almost steady last year, increased by 4.8 percent, while consumption of fuel oil went to 7.4 percent as compared to 4.6 percent.

Thermic power plants alone, where the demand increased by almost 20 percent, utilized 46 percent of the fuel total for oil products.

Deliveries of liquefied gas, on which the price did not increase in 1982, were up 8.1 percent.

Imports of hydrocarbons came to 4,408,000 tons, without any substantial variation from one fiscal period to the other, coming to the extent of 81 percent from the countries in the Middle East. However, the cost came to 6,592,000,000 dirhams, up 17.2 percent, as a result in particular of the increasing solidity of the dollar.

The oil bill accounted for a little more than a quarter of the import total, required the equivalent of nearly 53 percent of the export income to cover it, and exceeded the income of the mining sector by nearly 70 percent.

The refining of oil by the two plants in Mohammedia and Sidi Kacem came to some 4.3 million tons, up 2.8 percent.

The increase in the cost of oil imports led the public authorities to increase domestic prices beginning on 10 November. Thus rates went up 5.8 percent for regular gasoline, 5.6 percent for high-test, 6.3 percent for gas oil, 7.1 percent for kerosene and 7.6 for fuel oil.

As was the case in 1981, this measure did not affect butane or propane gas, the schedules for which remained unchanged.

Despite the increases which have occurred in the course of the past 12 months, the compensation fund paid out 855 million dirhams in 1982 where oil products were concerned.

Electricity: Rising Overall Production

The net total production of electrical energy, which is mainly the responsibility of the National Electricity Office, was estimated at 5,750,000,000 kilowatt hours instead of the earlier 5,366,000,000, showing an increase of 7.2 percent as compared to 8.7 percent a year earlier. To a great extent, this production was provided by thermic plants, following the serious shrinkage of the contribution derived from water resources. In fact, the latter, which had already dropped by 32 percent in 1981, again dwindled substantially, by 43 percent, totaling only 572 million kilowatt hours. This figure had thus reached the lowest level in some 30 years, accounting for less than half of the installed capacity.

As a result, the contribution to total energy production, which was more than 30 percent in 1980, dropped to 18.7 percent the next year and to less than 10 percent in 1982, when it covered only 3 percent of the domestic needs.

Production of thermic origin totaled 5,178,000,000 kilowatt hours, showing an increase of 18.60 percent, which was, however, below that in 1981. The productive potential, however, was strengthened by the commissioning of the second stage of the Mohammedia power plant.

Consumption was assessed at 5,026,000,000 kilowatt hours, up [illegible] percent, representing a rate comparable to that for the preceding fiscal year. A substantial increase in rates, varying with the different types of consumers, occurred following major increases in these past 2 years.

Coal: Another Approach

After having increased by 3.5 percent in 1981, the volume of anthracite extracted again increased, by 4.6 percent, with an output of 735,000 tons. Total sales, on the contrary, were down 8.5 percent, and totaled only 745,000 tons as compared to the 803,000 last year. In fact, while sugar mill and mining company demand increased in 1 year by more than 42 percent, the ONE purchases, accounting for nine-tenths of the total domestic sales, dropped by about 9 percent, in particular due to a reduction in supplies obtained from the Jerada thermic power plant, just as exports dropped 32 percent. The sale price of anthracite was increased by 25 percent as of 1 September. Finally, imports of coke destined in large part for industry increased to 66,200 tons.

Because of the importance of energy imports in the trade balance and the need to reduce dependence on foreign sources, new impetus was given to oil and gas prospecting; the hydroelectric sector program was pursued; and also, study projects pertaining to the development of bituminous schists were pursued. Finally, new interest was devoted to renewable energy sources.

Drilling work saw a definite revival in the Taza region, and above all in the Essaouira and Gharb basins, the purpose being to establish the size of the Meskala gas reserves and to find new deposits of oil. Research programs were also pursued off Essaouira, and in the zone lying between Agadir and Tarfaya.

Construction was begun on a plant for the testing of bituminous schist processing in Timahdit in October.

Plans call for the construction of industrial units, if the processing proves successful, for the extraction of oil from schist, as well as the construction of a thermic power plant with 1,000 megawatts of power. Beginning in 1983, the electricity production capacity will be increased by the commissioning of the Lalla Takerkoust plant in the Marrakesh region, and this capacity will be strengthened in 1984 by the commissioning of the third and fourth stages of the thermic power plant in Mohammedia.

A center responsible for promoting the development of renewable energy sources was established in Marrakesh, and the first developments making use of solar energy have been completed.

Finally, with a view to recourse to nuclear energy, the construction of a unit for the extraction of uranium oxide using phosphoric acid is under way in Safi. It is expected to be operational sometime in 1985.

5157

CSO: 4519/290

COMPLAINTS OF KHARTOUM TEXTILE WORKERS AIRED, ANALYZED

London AL-DUSTUR in Arabic No 289, 6 Jun 83 Supplement pp 1, 3

[Article: "The Textile Workers between the Hammer and the Anvil"]

[Text] Last year 23 textile plants and mills stopped operating, and as a result the workers in these plants lost their jobs and were thrown out of work, in spite of the activity of the textile workers' central committee in protecting the workers in these plants by demanding that an investigation be made into their shut-down and that an effort be made to absorb them in other factories if the authorities did not succeed in convincing the owners of these factories to put them back into operation.

Among the factories which were shut down was the Japanese textile plant, which is registered commercially under the name of the Khartoum Textile Company. This plant stopped operating in April 1982. The workers in this plant suffered more than others did in winning their rights from the company management and owners, who proceeded to procrastinate and delay in paying the benefits of workers who had been terminated.

The union of the workers in this plant stated that the factory management had not committed itself in previous years to enforcing occupational health measures, which require that people working in the textile industry be subjected to a periodic medical examination to ascertain that they have not been afflicted with illnesses resulting from cotton dirt and dust, known as cotton diseases, such as allergies, cotton asthma, and shortness of breath, which cause the total or partial disability of the worker and prevent him from continuing to work in this industry.

The agreement reached by the textile workers' union councils and the employers stipulate that a medical examination is to be made of every worker who has been suspended from work within a year of his departure from the job by the Board of Labor and Occupational Health to determine the degree of disability, and that the employer is to pay compensation in accordance with the rate of disability set down in the medical commission certificate on the worker, within a week of the date on which the degree of disability is determined. The Sudanese newspaper AL-SAHAFAH pointed out that more than 500 workers in the textile company presented themselves for a physical examination after the company shut down, but the company is still procrastinating and has not paid any of them the compensation they are entitled to — which has caused the workers to turn to the labor court to win their rights. The paper referred to constant procrastination in the convening of the labor court to review these cases, in which the company has used various legal ruses while these workers and their families are suffering from loss and from being uprooted.

PROBLEMS, CORRUPTION IN MEAT PRODUCTION, DISTRIBUTION EXPOSED

London AL-DUSTUR in Arabic No 289, 6 Jun 83 Supplement p 4

[Article: "High Meat Prices -- With Whom Does the Responsibility Lie?"]

[Text] The Sudan is considered to be one of the greatest meat producers in the world. In fact, specialized studies predict that if its land and water resources are properly used, the transportation system is improved, modern methods of agricultural and livestock economic planning are followed, and the necessary material resources are provided for investment in this field, it will occupy the top position among the countries of the world in terms of the production of meat, grain, and other agricultural foodstuffs. Citizens treat these studies, notwithstanding their validity and the fact that they are backed by field studies and scientific fact, with a large degree of skepticism and consider that they are a type of propaganda that is aimed at putting them to sleep and diverting their attention from the everyday sufferings they face in their lives. They are to be excused for this, because it is hard for the human intellect to absorb or digest the fact that the "anticipated" breadbasket of the world is suffering from a shortage of meat and an insane rise in meat prices. It does not inspire confidence, in a country which is considered one of the biggest producers of meat in the world, that it deals with the short supply of meat in local markets by suspending exports of it, while, at the same time, the citizens' sufferings due to the high prices and low quality of meat are continuing, and the producers, importers, exporters, butchers and Livestock and Meat Marketing Organization are trading accusations among themselves.

The shortage erupted recently, in the form of a decision by the butchers in the town of Omdurman, who declared that they would not commit themselves to the stipulated meat pricing and accused numerous bodies of creating a meat scarcity in the effort to control the market and bring up livestock prices. They accused the Livestock and Meat Marketing Organization of acting in collusion with these bodies. The organization replied to these charges through its board chairman in the newspaper AL-AYYAM, disavowing responsibility for the shortage and shifting that to other bodies! Where does the truth lie? What bodies are really behind the meat shortage the citizens are suffering from?

The chairman of the board of the Livestock and Meat Marketing Organization, in his statements to AL-AYYAM newspaper, stated that the meat shortage was not related to production so much as to the basic structure of the transport of the livestock from production to consumption areas, as well as the deficiency of the bodies active in the area of the livestock and meat trade which deal in the service area.

He went on to say that the aid desired from the government, according to the experience of previous years, was not the sale and purchase of livestock but the provision of the necessary structure and foundations to aid the livestock commerce sector in the Sudan, most important of which were the provision of necessary markets and services, the provision of means of transportation and freight, and marketing agencies which can organize marketing for people engaged in this area.

What inspires one's astonishment, in the statements by the board chairman of the Livestock and Meat Marketing Organization, is the neutral tone, and the fact that he is distinguished by an approach of consultation and guidance, while this sort of organization is in fact supposed to be biased in favor of the producer, the consumer and the higher economic interests of the country and is supposed to possess the legal powers to make it capable of performing its missions in the desired manner to protect the rights of the producer and the consumer. Is it permissible, for instance, for there to be a regression from the fixing of livestock and meat prices by weight, so that those prices may be abandoned to spontaneous estimates and the caprice of producers in the market, while the organization stands helpless before that, then comes and claims that it has no connection with the meat shortage and the rise in meat prices?

Thus the board chairman of the Livestock and Meat Marketing Organization has limited his statements to the area of his organization's jurisdiction and has discussed the problems of marketing and transporting livestock. However, his reference to the fact that the meat shortage has no connection with production is not accurate -- indeed, it is not correct. The fact of the matter is that livestock production in the Sudan is extremely backward, and the reason for this is attributable first and foremost to the fact that agrarian reform was not carried out in its revolutionary sense and therefore livestock production in the Sudan continued to be linked to the traditional sector and to nomads. It is well known that the attainment of quantum leaps in the realm of livestock and meat production can be attained only by settling the nomads, providing them with adequate pastures, drilling wells and shifting production from its current primitive, backward context to an advanced, planned, programmed one, as well as providing veterinary services, improving quality, shortening the period of the productive cycle, and providing transportation services. Therefore the neglect of these aspects by the board chairman of the Livestock and Meat Marketing Organization in his talk lies within the category of partial, temporary attempts to deal with the meat shortage without dealing with its root causes.

In addition, to address oneself to the meat shortage with the degree of abstraction which the board chairman of the Livestock and Meat Marketing Organization used -- making the shortage seem as if it was an administrative shortage that arose from crisis and the reliance by livestock merchants who supply the towns on the system of the open market and bargaining -- ignores an essential objective fact which producers, as well as butchers, have long been complaining of, defining it clearly as the problem of the exploitation inflicted on producers through the series of intermediaries between them and the consumer, and the monopolistic behavior exercised by the major livestock dealers who supply livestock to the markets in towns or export it. It is this "class" which controls livestock prices and fabricates the livestock scarcity in the markets, which imposes sales at low prices on producers, sells to butchers at double the price, and compels them to buy through its control of the quantity of livestock offered on the

market. Thus the problem may be summarized by the existence of this sort of pattern of exploitative relations in this sector and in all productive activities connected to the traditional sector, in which the producers and consumers are subjected to this sort of fraud on the part of the class of middlemen, and the major middlemen in particular. If there is a role which the Livestock and Meat Marketing Organization can respond to, that must lie in confronting this sort of phenomenon by protecting the producer and the consumer in a manner which will provide just, balanced productive and marketing relations.

As a final conclusion, these statements on the causes of the meat shortage and high meat prices make citizens feel frustration, feel that this organization, to which they have attached their hopes, has failed to help solve the shortage in the foreseeable future, and is making them feel further anxiety as they observe the chaos in prices in this area, which has caused them to multiply more than twentyfold in the period between 1979 and 1983.

11887

CSO: 4504/427

MAGAZINE CONDEMNS RAILWAY, KHARTOUM TRANSPORTATION BOTTLENECKS

Transport, Communications Problems Aired

London AL-DUSTUR in Arabic No 289, 6 Jun 83 Supplement pp 1, 2

[Text] Every day that goes by, a new circle of a type that is connected to facilities which are of special importance in the daily life of the citizens, or a type that enters into the context of the components of the economic development of the country comes to the fore in the Sudan. Among the phenomena that have become conspicuous in a severe, irksome fashion, and have become a source of complaints from everyone, is the condition that the transportation and communications crisis has reached, as a consequence of the total collapse of the railway sector, because of the neglect of it. International financial institutions are intervening with the objective of annexing it to the institutions of the private, rather than the public, sector.

It is well known that the transportation sector, especially its railway segment, is a central sector in all countries of the world, one which has such strategic importance, that we find that the most deeply capitalist countries have not abandoned this sector to the activities of the private sector and capitalist investment: rather, countries administer it in direct, central fashion.

Under the slogan of decentralization, officials are thinking of breaking up the Railway Authority and connecting it to regional government institutions, in the manner in which the public sector institutions are being broken up and turned into organizations managed by the private sector. They are planning to impose additional tens of millions on the public treasury to move some main workshops and the workers in them to Port Sudan and Sannar, and they are thinking of moving the office of the chairman of the railway to Khartoum and building new headquarters and housing for chairman's office officials, at a time when the Railway Authority budget is suffering from an annual deficit of 40 million pounds. Officials are also thinking of shifting more than 20 percent of the workers from 'Atbarah, without regard for the economic and social effects on the town that will result from that and the problems and sufferings the families of these workers will endure as a result of that move in terms of the education and housing of their children and families -- at a time when the authority does not have the material resources to provide the requirements for a comfortable move free of problems. It is an organization that, as its director general states, realizes monthly losses of 3.5 million pounds. The fragmentation of the Railway Authority, and its apportionment among regional government institutions, will not lead to the solution of its problems and increase its productive capability: rather, it will result in the fragmentation and spread of the problem.

The chairman of the board of the Sudanese Railway Authority revealed the deterioration his organization had reached in stating that more than 60 percent of the railway locomotives, 40 percent of the freight cars and 50 percent of the passenger cars are broken down and are not functioning, as a result of a lack of spare parts, and that the lack of maintenance of cars and the corrosion of tracks have led to repeated derailings, which have produced serious material losses, and to a drop in drawing and transportation capacity. The chairman of the authority pointed out that the annual deficit of the Railway Authority comes to 40 million pounds, and he added that most technically competent persons, in the form of engineers and skilled technical workers, have left the railroad and emigrated from the country in quest of working conditions that will offer them a life of dignity.

In coping with and remedying this deterioration situation, the chairman of the board pointed out that the section chiefs in the railroad estimated the requirements of the plan to develop the facility at \$350 million. However, the board lowered that to \$150 million — and the World Bank intervened to reduce that to \$40 million.

The chairman of the board of the railroad presented the authority's plan to apply the decentralization project by distributing and shifting some workshops from the chairman's office in the town of 'Atbarah to the towns of Port Sudan and Sannar, while the office of the chairman of the railroad is to be moved to Khartoum. This, according to the statement by the head of the authority, means that 20 percent of the workers will be moved from 'Atbarah to other worksites, and the authority will build and outfit buildings for its chairman's office and for the housing of its employees in Khartoum.

This was the statement of the chairman of the board. It was a statement which did not contain information that was new to the people of the Sudan, in light of their sufferings from this facility and their awareness of the constant deterioration in it, now that 75 years have elapsed since it was founded and for a long time represented the main means of transportation in the Sudan. Poor planning and management and the corruption that had worked its way through all the agencies of government have become reflected in this vital installation, turning it from a profit-making organization throughout its history to an organization burdened down with debts whose annual deficit comes to more than 40 million pounds.

On the other hand, the government media talk a great deal about development and development projects. However, the statement by the board chairman of the Railway Authority reveals the absence of one of the main ingredients of development in a vast country such as the Sudan, whose area comes to 2.5 million square kilometers, while the main means of transportation in it extend just 5,000 kilometers — not to mention the fact that this facility is still running on a narrow low-speed track whose main stretches were laid at the beginning of this century, and is suffering from a lack of maintenance and constant breaks as a result of floods and rains, while this organization is operating at less than 50 percent of locomotive and freight and passenger car capacity. This bitter reality, which the director general of the railroad talked about, and which the citizens can sense everyday in their leisure, their lives, their personal affairs and the components of their economy, reflects the extent of the deterioration in the fields of public service and economic service in the country.

People who are concerned about the interests of the country and the citizens confirm that the World Bank's interference in the Sudan's economic policies will lead only to a comprehensive collapse of the country's economy.

Citizens have perceived this through the World Bank's insistence on repeated devaluations of the Sudanese pound and the removal of subsidies from basic consumer goods, and through its insistence on and adherence to the dissolution of public sector organizations and their conversion to private organizations. This was reaffirmed by the statement by the director general of the railway regarding the World Bank's reduction of the budget to develop the railroad by more than 90 percent, dropping it from 350 to 40 million pounds, that is, to slightly more than 10 percent. Has transportation become a luxury consumer sector in the view of the World Bank and the higher agencies of the state, or are these agencies waiting for a miracle from the sky, which will lead to the repair of the locomotives, cars and "tank cars" that are out of operation, the design of corroded tracks, and the laying of thousands of additional kilometers of the railroads of which the Sudan is considered to be in the direst need?

Moreover, the decree to break up the authority has inspired amazement and rejection, because of the absence of logical justifications. Heading the list of people expressing the rejection are the workers, employees, managers and technicians of the railway, because they have not become convinced of the feasibility of the breakup of the organization. The statement the railway chairman made lacks persuasiveness and justification, and for this reason the orientation toward a breakup will have the effect of adding to the actual state of the organization, which has been characterized by backward service, deterioration and financial deficits - a condition which will be worse than before.

Transportation Breakdown in Khartoum

London AL-DUSTUR in Arabic No 289, 6 Jun 83 pp 2, 3

[Text] The crisis of transportation in the Sudanese capital, Khartoum, still occupies center stage among the citizens' everyday concerns. While the causes of the crisis are numerous, starting with mismanagement and poor planning, proceeding through the paucity of oil products and the lack of road maintenance, and ending with the government's inability to control and provide means of transport and provide the reserves that are required for taxis and public transport, nonetheless the real tragedy is embodied in the government's inability to act to eliminate the main or peripheral causes. Eng Ja'far 'Ali Muhammad, chairman of the board of the capital's transportation company, revealed the tragic state the company is going through, stating that the company's "bus" fleet, which is assigned to provide services to all areas of the farflung capital with its three towns, Khartoum, Khartoum North and Omdurman, does not exceed more than 450 vehicles, more than 250 of which are totally out of operation and awaiting repair.

The company chairman stated that the absence of spare parts is leading to the fact that the number of buses out of order is constantly increasing. He pointed out that the number of buses which are put at the service of the public every day ranges between 85 and 110. He added that the company needs \$6 million to repair its damaged buses and \$4 million to buy 50 new ones, but the financial allocations are not available to carry this plan out.

The chairman of the company stressed the importance of government support, so that the company will be able to play its part in solving the crisis of transportation in the capital, in view of the extreme importance that involves for the progress of production and life in the country, stating that this support was absent. It is well known that the company was founded in 1925 and that ownership of it has vacillated between the private and public sectors, becoming settled in government ownership in 1971, when the Ministries of Finance and Transport and Communications and the Bank of the Sudan took possession of it.

11887

CSO: 4504/427

BRIEFS

MINISTERIAL APPOINTMENT FLAYED — The doctor Fatimah 'Abd-al-Mahmud, an assistant to the head of the Sudanese People's Assembly, has been appointed to the rank of minister of state by republican decree of the president. This doctor was a former minister in the Ministry of Social Affairs; the People's Assembly condemned her in the previous session because of her disposition of the ministry's funds on her own behalf and her arrogation of all the ministry's allocations on the day she was removed. In addition, no reactions have issued forth from the members of the assembly on this appointment yet, but it is expected that it will provoke ridicule in many circles, and it is possible that it will cause "embarrassment" among the members of the current assembly who had previously accused the minister of embezzlement in a previous session. [Text] [London AL-DUSTUR in Arabic No 289, 6 Jun 83 Supplement p 1] 11887

CSO: 4504/427

ISLAMIC FUNDAMENTALISTS TRIAL PROCEEDINGS REPORTED

Tunis LE TEMPS in French 21 Jul 83 pp 8-9

[Article by D. Taha]

[Text] On Wednesday, 20 July, the trial of 22 persons belonging to the Muslim Fundamentalists Movement got underway.

The Palace of Justice was closed very early by security forces, anxious to ensure proper conduct of the trial and the regular operations of other courts at the Palace.

Only a few persons were authorized to enter the hearing room. The arrival of the 22 persons was accompanied by great commotion. Once in the courtroom and before the judge appeared, the 22 accused began to recite sura (verses of the Koran) and to give the "V for victory" salute.

Taboubi was the first attorney to arrived. He shook the arms of the accused before taking his place. His arrival was followed by that of attorneys Ghodh-bani, Amor Hadj Khelifa, Mamoughli, Mohamed Nouri, Fathi Abid and Tordjmen.

The judge's entrance ended the tumult that reigned in the room and the trial began immediately.

Identity of the Accused and Charges

The accused are the following: Chamseddine Ben Mabrouk Hamouda; Naou Ben Mohamed Hanzouli; Ali Ben Ammar Chnitar; Tarek Ben Mohamed Berik; Fathi Ben Sadok Mohamed; Salah Ben Mohamed Ben Salah Nasr; Jamel Ben Tahar Aoua; Belgacem Ben Mabrouk Charni; Ali Ben Massoud Kaidi; Mohamed Ben Abdessalem Khemais; Jamel Ben Mansour Bennour; Hedi Ben Adjmi Brahem; Mohamed Ben Amara Fatnassi; Mongi Ben Ali Maad; Mohamed Hechmi Ben Youssef Hamdi; Najib Ben Mohamed Ameur M'rad; Abdelmajid Ben Amor Ezzar; Mohamed Ben Lahbib Maalej; Abdelhamid Ben Abdelkarim; Abdellatif Mamoughli; Mohamed Habib Ayachi; and Ezzeddine Soudani.

These 22 persons were brought to the court under arrest. The following accused are considered to be fugitives from justice and were tried by default: Hechmi Ben Sadok Ben Younes; Ali Ben Letaief Aouini; Mohamed Ben Abouda Berrich; Mohamed Ben Ahmed Kaloui; Amor Ben Hedi Aouini; Mohamed Ben Hechmi Bahloul;

Hafedh Ben Younes Tariki; Tahar Arid; Hamadi Ben Bouraoui Djabali; Salah Ben Youssef Ben Nouri; Sadok Ben Hamza Chourou; Kamel Ben Ahmed Abid; Mohamed Ben Rajeb; Mounir Arbi; Abbas Ben Hamza Chourou; and Hedi Ben Mahmoud Chihi.

These 38 persons are accused of knowingly forming an unauthorized association during the month of November 1982 and the days following, an act expressly forbidden in Article 30 of the decree dated 17 November 1959.

Record

According to the record of the investigation underway at the end of 1982, the police learned that a secret association was being formed within the Fundamentalist Movement whose purpose was to gain control of all political factions existing in the country. The association began to organize and attract citizens.

Police inspectors in West Tunis gained information stating that a group of students was working secretly on behalf of the secret association. The group, the record continues, resided at the El Manzah Olympic Compound. Police inspectors began to follow every member of the group and to take note of their slightest movements or contacts and managed to observe that the persons in question were going -- taking great care not to be seen -- to Building 48 of the El Manzah Olympic Compound.

On the night of 8-9 November 1983, police set up a stakeout at the building in the knowledge that several members of the group were inside. When officers entered the apartment occupied by the group, they found nine persons in a meeting in possession of documents concerning the activities of the Fundamentalist Movement and in particular, work to be done in Tunisian universities.

The nine individuals were arrested. They all turned out to be students enrolled in the university in the capital and the interior. They were: Ali Ben Ammar Chnitar; Najib Ben Mohamed M'rad; Abdelhamid Ezzar; Jamel Ben Tahar Aoua; Tarek Ben Mohamed Barik; Mohamed Hechmi Ben Youssef Hamdi; Salah Ben Mohamed Nasr; Najib Ben Halima; and Mohamed Habib Ayachi.

Questioning revealed that they all belonged to the Muslim Fundamentalist Movement and, along with others, formed an organization called the University Committee, which handled anything having to do with fundamentalists in Tunisian universities.

In the apartment located in the Olympic Compound, police confiscated quantities of reports, studies, records, publications, tracts, books and journals, the record states.

The surveillance was continued by police in order to preserve the objects seized and arrest any person preparing to enter the apartment.

At the interrogation of Ali Chnitar, the latter admitted, the record of the questioning shows, that the organization to which he belonged had two other locations, one at [Building] 41 of the El Khadra Compound and the second at the Bouchoucha Compound on Rue Menzel Abderrahman.

The two sites were raided by police. At the former, police officers found three persons: Hamouda Ben Belcacem Gharbi and Zaid Assal, considered by police as fugitives and now being sought in order to serve a prison sentence handed down by a Tunisian court. The third person was Mohamed Sghair Gharbi.

Ali Chnitar admitted that the residence at the El Khadra Compound was designed to house the persons sought by police.

At the second location, police found one Souhair Rajbi and, in one of the rooms, material and machines used for the organization's activities. Police seized a typewriter with Arabic keys, a photocopier and all accessories needed for their use.

All three places were placed under surveillance and police subsequently arrested Fathi Abrouk, Jamel Bennour, Mongi M'rad, Belgacem Charni, Mohamed Lahbib Maalej, Naou Hanzouli, Mohamed El Moncef Gharbi, Latifa Ayadi, Brahim Bouchoucha and Mustapha Hakimi.

A police investigation led to the residence of one of the leaders, Salah Nour, on Rue Hedi Saidi, where a stakeout was set up. However, it was fruitless except for the arrest of Salah Zouali, who had gone to look for Salah Nour.

The record shows that Salah Zouali was arrested and tried in a case similar to this one.

The record states that following the questioning of the persons arrested, authorities learned the main heads and new leaders of the Muslim Fundamentalist Movement. The latter has as its base an advisory committee made up of 19 members and headed by Ali Arid, engineer. The executive bureau is responsible for heading up activities of the movement. The bureau is made up of eight members, each of whom has a special task. They are: Hamadi Djebali, president of the executive bureau; Chamseddine Hamouda, assistant to the president; Hedi Brahem, adviser; Salah Nour, head of the secretariat and administration; Mohamed Berrich, organizer; Naou Hanzouli, political leader; Abbes Chourou, head of foreign relations; and Mohamed Fatnassi, treasurer.

According to information pieced together from interrogations of the accused, police believe that the driving forces behind the association are Hamadi Djebali, at large, and Naou Hanzouli. The latter held several offices, coordinating the activities of the advisory committee with those of the executive bureau, the University Committee and the Trade Union Bureau.

According to the report on the investigation, Naou Hanzouli stated that he was in contact with one of the organizers, at large and tried in absentia, one Habib Mokni. The latter had contacted him by telephone and asked him to revive activities of the Muslim Fundamentalist Movement and to contact the head of university affairs, Ali Chnitar, through Fathi, whose entire name has not been learned.

Fathi gave Naou the address of Habib Mokni at the Olympic Compound, available to leaders of the University Committee.

At the first meeting, those present came to an understanding on the ways and means of activities they intended to carry out in the university in order to gain control of the university and make it the spearhead of the Muslim Fundamentalist Movement in order to achieve the political goals of the movement.

Concerning the Trade Union Bureau, Hamadi Djebali contacted Mohamed Kaloui, now sought by police, who created the Bureau and organized meetings, first of all at the Dinar Cafe in the capital and later at the headquarters of the central command at the El Khadra Compound, where Ali Kaidi resides.

The Trade Union Bureau infiltrated the Tunisian General Federation of Labor in order to prepare for union elections ahead and enable members of the Muslim Fundamentalist Movement to be elected as heads of certain professional unions. In this way, the Movement would have control over both the university and the trade union sector, both sectors directly affecting the political life of the country.

The Trade Union Bureau was made up of Mohamed Kaloui, head of the Union Bureau; Abdelhamid Ben Abdelkarim, administrative head; Ali Kaidi, head of education; Abdellatif Mamoughli, head of the Education Union; Mohamed Ben Rajeb, head of the Agricultural Union; Mohamed Ben Khemais, head of the Electricity Union; Ezzedine Soudani, head of the Building Union; and Amor Laouiti, head of the Tunisian Broadcasting Company and various other trades.

It was Mohamed Bahloul who, upon leaving Tunisia to continue his studies in France, delegated his powers to Ali Chnitar, gave him the necessary advice to continue heading the Fundamentalist Movement in the university and turned over to him the residence in the Olympic Compound and the materials seized at the El Khadra Compound.

According to the police record, Chnitar divided the capital into three regions and placed leaders over each: Najib M'rad over the first; Abdelmajid Ezzar over the second and Jamel Elaoua over the third.

The interior of the country was similarly divided. Officials were placed at the head of each region: Fathi Ben Sadok Mohamed for the region of Sousse; Salah Nasr for the Monastir region; Hafedh Tariki for the region of Sfax; Belgacem Charni for the Gabes region; and Mohamed Maalej for the agricultural sector.

According to the record, each member of the movement was given a name. Ali Chnitar became Ahmed; Naou Hanzouli, Abdelrahman, and so on.

The purpose of the group was to "fight international imperialist forces," "to set up a Jamahiri Islami state in Tunisia."

In order to foil police surveillance, in addition to the fake names given to each member of the movement, leaders had special signs used among themselves that no one else could understand.

Trial

President Abderrahman Bourghida began by calling upon the accused one by one for questioning.

Naou Hanzouli said that he had been contacted by Mokni, who asked him to make propaganda for the Fundamentalist Movement. He responded that the movement had been stifled since 1975. Mokni put him in contact with the person called Fathi, whose complete identity is not known. The latter met with him at his place of work, then contacted him a second time, when they discussed the future activities of the movement.

Concerning his meeting with Hamadi Djebali, Naou said that it had taken place between two Muslims who discussed trade union problems. He stated that when he met with him, he was not seeing a member of the Muslim Fundamentalist Movement, but just a person with whom he had things in common.

Naou stated that had no ties with the university and rejected the name given to him by the movement. He added that he had been mistreated and beaten at the time of his arrest and during questioning.

Chamseddine Ben Hamouda followed Naou. He is a doctor. He stated that he was arrested on 11 January 1983 and that any human being finding himself in a situation in which his employment is threatened has the right to react.

(The judge: "You are absolutely right.") The accused added that he had been asked to care for sick people, Muslims. The work he is criticized for, he said, is humane work done for a charitable purpose.

Chamseddine said that he had been invited only once by the group.

Judge: "Your first name?"

The accused: "Chamseddine."

Judge: "Were you not given the name 'Mohamed' within the movement?"

The accused: "No, that is not my name."

Next it was the turn of Hedi Brahem, who said he came from a conservative family in which his father had taught him Islam. He added that his presence in the court was solely due to the fact that is he a Muslim.

He continued: "Your Honor, we have suffered. We were stripped naked and beaten. What you see before you are refugees."

The magistrate interrupted him and called Mohamed Fatnassi, accountant, to the stand.

Fatnassi said that he had been contacted by Hamadi Djebali to do research and that he had attended no meeting at the El Khadra Compound.

Judge: "The purpose of your research?"

The accused: "A solar heating project. It was a purely professional subject."

The accused added: "They tortured us. They wrote whatever they wanted."

The judge interrupted him: "We are to speak of certain facts of which you are accused."

Attorney Ghodhbani: "They have statements to make about the brutality to which they were subjected."

Judge: "No, I am solely responsible for the conduct of the trial."

The accused: "I am the father of three children. I was tortured. They put me in prison."

Next it was the turn of Ali Chnitar. The latter, a student, reported on student problems, the lack of any union, divisions in the student struggle, the use of violence, indicating that the condition of Tunisian universities is pitiful, even though the country's future lies in the students.

The presiding magistrate interrupted him to point out that he was not to make a speech, but confine himself to precise answers to the questions asked.

The accused continued, indicating that Bahloul had contacted him before leaving the country in August 1982, asking him to be a leader within the university. In order that he might do so, Bahloul left him the keys to his apartment, but the witness said that he had not read the documents found there and did not wish to do so.

He stated that in the university, he had tried to reflect on the drafting of a pact that would provide solutions to the problems of the university, mainly the union problem. The pact, he said, was to be distributed in all the schools of the university and it was for such a purpose that he chose an elite in the country to help him in his activities.

He first contacted Mohamed Hechmi Hamdi, then all the students present at the hearing.

Judge: "And how was Tunis divided up?"

Answer: "It was not. There were leaders on the campus, in the School of Medicine, the School of Agriculture of Medjez El Bab and Sidi Thabet, in Sousse, Monastir, Sfax and Gabes."

The accused continued: "We are Muslim students. We are not members of the Muslim Fundamentalist Movement. That movement exists only in the newspapers."

Judge: "Did you contact Souhayr Belhassen of JEUNE AFRIQUE?"

Answer: "Three persons contacted him."

Judge: "You were given the name 'Ahmed'."

Answer: No.

Judge: "What about the financing of travel, newspapers and journals, photos?"

Answer: "The money comes from collections made in the mosques of the schools and compounds."

Judge: "You attracted all those students?"

Answer: "Yes, but you have to know how."

Judge: "No, that is enough."

Mongi Maad was the next to take the stand.

Judge: "You have an office?"

Answer: No, none."

Judge: "You receive a great deal of money. What do you spend it for?"

Answer: "To the extent that I have taken up the defense of what is just, of freedom, of Islam, I tried, out of nationalism, to change the image of the Tunisian university. I received 500 dinars once, 350 dinars the second time and 250 dinars the third."

Judge: "Is your name Khaled?"

Answer: "No, my name is Mongi. I first heard the name 'Khaled' from the interrogators and I admitted it because I was beaten."

The magistrate interrupted him to call Mohamed Hechmi Hamdi to the stand, who said he had been responsible for drafting the pact and that he had even been beaten by the examining magistrate.

The judge interrupted him. Then attorney Belcacem Khemais spoke: "I wish to speak. It is absolutely essential that they speak about the torture."

Negative response from the judge.

The witness continued: "The government does not want to admit the truth. Being in prison for six months is not normal. I do not live just to have a wife, car and home. I must contribute to change. Students are mature, aware people. They can change the face of our country. The struggle and violence in the university provoked by the agents of order. I have proposals for changing the lamentable condition the university is in. Every student has the right to speak. Violence should never exist in the university. The fact of

being tried is bizarre in itself. We are already considered as criminals even before we are tried."

Judge: "Is Mohamed Hichem your name?"

Answer: "No, I have a point to make."

Judge: "No, that is enough."

Bourghida then called the accused Mohamed Ayachi to the stand. The latter stated that the pact he proposed with his friends had a democratic content and which he compared with an emblem on which "security, freedom, equality" were written. Consequently, he added, he dreams of freedom and believes in change in the university. "I was arrested on 8 January. It was cold, but we were stripped naked, beaten, and they wrote down whatever they wanted."

It was then the turn of the accused Najib Ben M'rad. He began by saying what he found good about the pact drafted to change the image of the university. The presiding magistrate interrupted him to ask him to respond only to precise questions. However, the accused constantly reverted to the pact and concluded by saying that he could no longer hear out of his right ear and that he had not received any medical attention.

Attorney Belcacek Khemais then said: "We have demanded an investigation. The attorney general has not yet ordered one."

Attorney Godbani also tried to speak, but the judge indicated that there was a specific procedure to follow and that attorneys could speak after the questions.

Mohamed Belcacek showed his fingernail to the presiding magistrate and said it had been torn out during questioning.

When questioned, Tarek Barik said that he had been considered a good student and had been allowed to continue his university education abroad. He thought there was no solution to the problems of students in Tunisia, but, he added, "when I saw 10,000 students gathering together in the same place, I was astonished to see that they respected democracy and could dialogue freely, which pushed me to try to find adequate solutions with others."

Abdelmajid Ezzar said that the meetings held were for the purpose of drafting the pact "which gives every student the right to choose his future and the future of the university."

Jamel Elaoua said: "I was happy to be in the university. In 1981, there were killings in the university. That hurts any nationalist very much. That is why I helped the elite groups draft the pact. As a devout believer, I think that Islam is the only solution to all the problems facing humans."

It was not possible at the hearing to follow the questioning of all the accused. Security allowed so many persons to enter the room that it was packed and it

was sometimes difficult to follow the examination because of spectator noise. Those cases are not included here.

Defense

Several attorneys requested that the trial be postponed in order to have more time to prepare. The judge allowed other attorneys to speak on procedural matters not related to the actual cases.

Ghodhbani said that the accused would not acknowledge what was written in the record during the preliminary investigation or before the examining magistrate. He added that his clients had been tortured and that an investigation should be ordered. He said that the accused should be released on a conditional discharge while awaiting trial.

Attorney Hila said that the accused had been arrested because the decree in question, dating from 1959, forbids the formation of any association without previous authorization issued by the minister of interior.

Hila added that the decree is in violation of Article 8 of the constitution authorizing associations and that in this instance, the judge could dismiss the proceedings. The court could say that the 1959 decree is unconstitutional and consequently, cannot be used as a basis for holding the accused.

All the defense lawyers demanded their conditional release.

The court adjourned the trial until 27 July and rejected requests for conditional release.

The accused and nearly all spectators present in the courtroom began to recite sura. Demonstrating tact and calm, security guards managed to empty the room with utmost difficulty.

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WAYS FOR DEALING WITH ECONOMIC DIFFICULTIES DISCUSSED

London AL-DUSTUR in Arabic No 290, 13 Jun 83 pp 38-39

[Article by Muhammad al-'Ajil: "Kuwait Uses Western Approach To Deal With Its Crises From the West"]

[Text] The Government of Kuwait has dismissed 20 percent of its salaried employees, teachers, and workers who do not have Kuwaiti citizenship, including both Arabs and non-Arabs. Some officials in the Kuwaiti Government defended this drastic measure as the necessary result of the "severe recession" that the Western industrial states have imposed on the developing oil states.

This colonialist capitalist assault has forced each of the oil exporting states to resort to different measures to protect its economic balance from suffering a severe disturbance, due particularly to the drop in crude oil prices.

Kuwait, which is still suffering from the effects of the "Suq al-Manakh," has chosen to accept a broad economic austerity program similar to the austerity program that the majority of the poor and middle-class populations of the industrialized states have had to endure since mid-1979.

The Central Bank of Kuwait recently published some of its official statistics. One fact revealed in these statistics is that the country's revenues from the sale of oil to outside parties has declined by 33 percent from \$13.9 billion to \$9.2 billion. For the second year in a row, Kuwait has been faced with a large deficit in its general budget as a result of weak Western demand for Kuwaiti oil and a consequent drop in oil revenues obtained by the Kuwaiti Government and perhaps also as a result of the fact that the government has had to compensate individuals who have been hurt by the "Suq al-Manakh" crisis.

In addition, Kuwait's Ministry of Education has announced that the government's reduction of the responsibilities of the ministry has forced it to discharge 350 school teachers. However, some economists have strongly criticized this measure and have accused the government of committing a serious mistake by adopting the monetary remedies formulated

by American economic professor Milton Friedman to confront the crisis. Such remedies deepen the crisis rather than easing its effects, especially in the fields of education and social services. One Arab economist in Kuwait said that Kuwaiti economic researcher Su'ad al-Sabah's call for belt-tightening, the dismissal of teachers, and even stronger austerity measures will have the opposite effect from that intended. Such a policy cannot develop the economic substitutes to take the place of oil exports because such alternatives require greater spending than is currently being applied to develop human capabilities and social services, particularly among the lower classes of the population. This in turn means that any attempt to reduce spending on education and basic facilities as advocated by this researcher must be prevented.

Su'ad al-Sabah wrote an article in which she stated that Kuwait "has reached a sharp turning point that demands immediate structural changes" such as industrialization, agriculturalization, and the other options that must take the place of oil as a source of financial revenues. The Kuwaiti economist warned against excessive optimism regarding the London agreement of 14 March 1983, by which OPEC arrived at a reduction in the base price of oil and allocated production among the member states. In her opinion, OPEC achieved this success for two reasons: first, the fact that Britain stooped to concluding an oil truce with OPEC; and second, the fact that Saudi Arabia accepted a reduction in its production to 4 million barrels per day. This opinion is correct because each of these two reasons was a source of the problem:

First, because it was Britain's hand that unleashed the destructive element on OPEC, whatever forces may have set this hand in motion.

Second, because Saudi production was too high to permit a balance in the energy equation.

As a third point, although the war in the Gulf is reprehensible in itself, it has prevented an increase in the quantity of oil production. It is not enough for us to strive to end the war, rather we must also make sure that the clouds the war has raised militarily do not give rise to another cloud in the oil sector that wipes out OPEC completely. In particular, when Iran seizes the opportunity and endeavors to double production, OPEC will be faced with a downpour rather than the mere trickle it is presently facing.

For all of these reasons, the Kuwaiti economist advised her government leaders not to act under the delusion that "the oil crisis has reached an end at last" because it will not lead to such an outcome and the developments still hidden are possibly much more significant.

The fact is that the "Suq al-Manakh" financial crisis; the crisis in the level of oil prices, quantities of production, and amounts of profit; and the mistaken thinking that calls for a retreat in economic policy in the face of the storm blowing from the West rather than an effort to

confront it with nonmonetary solutions that ease the effects of the storm rather than intensifying them--all these elements have combined to shake the foundations of the entire Kuwaiti economy. What has made things even worse is the fact that some Arab and Western companies in Kuwait have rushed to protect their restricted interests by firing a large number of workers after the pattern set by the state itself. One Kuwaiti bank explained that it was surprised to receive employment applications from colleagues who had been working in local banks and had occupied high positions in them!

If the important people wish to protect themselves from the hurricane imported from the West by stirring up another hurricane locally, what recourse is there for the unimportant people, who have no strength or power?

The near future does not hold good tidings for those countries in the world that have long enjoyed high per capita incomes. If some governments of the West are trying today to convince large capitalists to cease continually creating the prevalent capitalist crisis and begin increasing investment and stimulating the economy, must the large capitalists in the Arab countries be a party to that? One Arab economist said: "Perhaps the answer to this is hidden in the fact that certain officials in Kuwait--in both the public and private sectors--need to learn French and read the speeches of President Mitterand rather than learning English and listening to the speeches of Mrs Thatcher, Mr Reagan, and Mr Kohl!

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VARIOUS BROKERS, OFFICIALS DISCUSS STOCK MARKET PROBLEMS, DEVELOPMENTS

Kuwait AL-MUJTAMA' in Arabic No 626, 21 Jun 83 pp 8-11

/Article: "Where Does the Al-Manakh Market Crisis Stand?"/

/Text/ The crisis in the al-Manakh market continues to be a hard one to resolve. It is threatening many traders with bankruptcy. In spite of the many solutions that have been propounded for this crisis, none have been feasible for transcending the results that have arisen from this crisis, and government offices and meetings are still talking of the possibility that major men of economic affairs in the country may go bankrupt, prompting some of them to compel the government to intervene to solve the problem.

This caused Shaykh Sa'd al-'Abdallah, the crown prince and prime minister, to declare that the issuance of legislation concerning the matter had come to an end, closing the door to other laws besides Laws 57 and 59 for 1982, which have been approved by the National Assembly. The crown prince also called for a general meeting of people trading on the market so that they could solve the problem by themselves, through cooperation among themselves. All these developments, in addition to the meetings and attempts to bring the market out of its tragic predicament which are being made in the Chamber of Commerce, have caused us to seek to learn the views of some persons and economic men of affairs who deal in the stock market, and others, through a comprehensive report. Among these personalities are Messrs:

Jawad Bu Khamsin, Ahmad al-Kandari, Fahd al-Mu'jil, Muhammad Jasim Saqr, Sabah al-Rayyis, Ahmad Bazi' al-Yasin, and Jasim Budi.

Here is the report:

The Crown Prince's Invitation

On this subject, we raised the question: "Is it possible, in your mind, that the meeting which Shaykh Sa'd al-'Abdallah, the crown prince, called for in his press statement will achieve tangible progress toward the resolution of the crisis in the securities market known as the al-Manakh market?"

Jawad Bu Khamsin: In his statement, his highness the crown prince urged people to resolve the crisis among themselves, and some people prefer to wait until the

matter changes in their favor. Everyone thinks that the matter will end up favorably for him. People want a decree that is binding, morally or by law, and it would be very good if some bodies, such as the Chamber of Commerce or the Arbitration Authority, supported this approach toward a resolution of the crisis. If the situation continues in this form it will lead to catastrophe, and the government will have to bear the effects of that catastrophe.

Ahmad al-Kandari: In reality, the problem of the market can be resolved only by the people in it. The meeting with the people in the market which His Highness Shaykh Sa'd al-'Abdallah called for must be endorsed by the government, or the problem will not be solved. In addition, this invitation, in my opinion, ought to have been at the beginning of the crisis. If one had taken place at the outset all the merchants in the market would have endorsed it.

Fahd al-Mu'jil: It is a very good appeal, and it may resolve some interrelated matters among traders. If people make sacrifices and deal leniently with one another, their problems will be solved. It is not possible to solve the problem except in a way that is binding on all, by reducing people's indebtedness and going back to capital.

Muhammad al-Saqr: In reality, everything can be solved if there is conviction, instead of greed and avarice. If some merchants waive some of their demands and accept a reduction, there will certainly be an easing of the situation. We know now that there is no turning back from Law 57 and Law 59 and that the merchants and speculators have no choice except such a reduction.

Sabah al-Rayyis: I believe that the people trading in the market must solve the crisis among themselves by themselves. The government is to be thanked when it demands that the problem be solved and tries to solve it, but this crisis is a crisis of the people who deal in the market, and not a crisis of the government. No matter what laws the government passes to solve the crisis, it can be solved only if the traders reach agreement.

Ahmad Bazi' al-Yasin: The statement that was made through his highness the crown prince's appeal that the traders solve their problems among themselves by reducing indebtedness ought to have been made at the very beginning. Now, however, many people are compelled to pay the debts they owe after they sell what they have, in order to preserve their reputations, and they have paid the debts they owed, so how can we ask these people now to pay the debts they have with people in a way that differs from the approach they used with themselves?

Jasim Budi: I doubt very much that this meeting will achieve any noticeable progress, because the people who will come together will be the same ones who caused the crisis. It was in their ability to meet from the beginning. I wonder where they were all during the previous period, and what they will do at the meeting.

Bankruptcy Among the Merchants of Kuwait

The second question asked of the gentlemen was how true it was that bankruptcy would befall all the merchants of Kuwait who trade on the market. They replied as follows:

Jawad Bu Khamsin: If the situation continues as it is, without the intervention of any effective regulatory or reform elements, a large number of people, more than 300, will be affected, because the people trading on the market have a powerful effect on the economic sectors in the country, especially the local banks. All longstanding traders deal with three or four banks. If they go bankrupt, the banks will of course be affected, and, if the laws regarding the traders are not amended and continue to be enforced, that will lead to bad results.

Ahmad al-Kandari: If the government does not agree with the merchants over a solution, 80 percent of the traders will be caught up in bankruptcy, if the process of bankruptcy follows its proper course, without discriminating among groups. People who did not get into the market through these traders will also be caught up in bankruptcy.

Fahd al-Mu'jil: If people stick to getting payment in full, we will see bankruptcies in long-standing commercial establishments that have status in the Kuwaiti economic community, and they will collapse. No one had expected that they would collapse.

Muhammad al-Saqr: I rule out the possibility that the merchants in the market will go bankrupt, because I know many merchants who have debts owed them but are not in debt. To state that the merchants in the market will all go bankrupt is bombast, and it is incorrect.

Sabah al-Rayyis: This cannot happen, because in any transaction there is a buyer and a seller. How can the buyer lose? It is the seller who loses; there is someone who dominates and someone who is dominated. The people who will prevail are few in number, and if they are not affected by the al-Manakh crisis, they will be affected somewhere else.

Ahmad al-Bazi': There is no doubt about that, because people, in their dealings, are interrelated by a series of corrections, and, if the problem among the first eight who are appointed by the people trading on the market is solved, the crisis will end.

Jasim Budi: People who had property before the crisis will not lose. People who amassed money by dealing in stocks over a period of time are the ones who will fall, because the people who will go bankrupt are the ones who owned some capital 4 years ago. They will not fall, but they will go back to where they were before.

The Role of the Small Investors' Fund

As regards the role of the Small Investors' Fund and the extent of its contribution to the solution of the crisis in the al-Manakah Market, they replied as follows:

Jawad Bu Khamsin: In reality, if we look for the reason why the Small Investors' Fund suspended payments, we will find that it had gone through large amounts of money. If the major traders go bankrupt, it will ask citizens to promote equality. I expect that if they fall, the government's commitments will be no less

than 5 billion dinars, because every one of these traders is connected to a large number of traders in the market, and that must not happen at the expense of other generations and the country as a whole.

I imagine that it is the Small Investors' Fund that has complicated the problem; otherwise are there any small investors who have 2 million dinars? If it were a quarter million or a half million, that would have been all right, but two million dinars?

Ahmad al-Kandari: In reality, the fund has complicated the matter and has not brought about any kind of solution. Indeed, the contrary: the crisis has gotten worse and more complicated, because everyone dealt in 2 million dinars. If the fund came and made payments after the settlement, through the authority or through a meeting, or it was not bound to make transfers to the organization, that would have been better.

Fahd al-Mu'jil: The Small Investors' Fund has not come up with any solutions regarding the crisis. Indeed, to the contrary, it has acted badly, because it is not the small investors who own 2 million dinars; they own 50,000 or 60,000 dinars, instead.

Muhammad al-Saqr: At the beginning, I have reservations about the word "small investors," because people who deal in 2 million dinars are not small investors. The role of the fund in resolving the crisis, in my opinion, is important and fundamental, because people who deal with 2 million or less joined the fund and got large amounts of money at the expense of people who had checks from people with debts.

Sabah al-Rayyis: No one who has 2 million dinars, that is, \$7 million, can be called a small investor. By any standard in the world, \$7 million means a millionaire. By what standard can we say that people dealing with 2 million dinars are small investors? Small investors are people who deal with 1,000, 5,000, or 10,000 dinars, but if I back people with 2 million dinars, that is going beyond mere excess. I hope that you will not embarrass me into commenting further!

Ahmad al-Bazi': The fund was not successful in this. I cannot call people who have 2 million dinars and receive all that amount in full small investors.

Jasim Budi: First, I object to the way the fund was named, since the umbrella of the fund extends to encompass people trading in 2 million dinars, that is, \$7 million. How can such an investor be a small one? By what criterion can he be a small investor? If the fund has a role, it is a social one: it has not performed any material role in resolving the crisis; the government wants to compensate the poor, and it has done so!

Reducing Indebtedness

We presented another question to these people related to their individual opinions on reducing indebtedness as a solution for resolving this complex crisis. Each of them presented his opinion as follows:

Jawad Bu Khamsin: I am in favor of reducing indebtedness, and was one of the people who requested it, because it would be a proper solution, since we would be putting an end to the excesses of making payments of 300 or 400 percent. If the settlement of accounts had played its proper role, and there had been a law to reduce indebtedness, there would have been a reduction and a settlement, a payout would have occurred between the surplus and deficit, the payout would have been made in instalments to ease the liquidation of interconnected liabilities, and no less than 75 percent of the people connected with the crisis would have emerged from it.

Ahmad al-Kandari: We cannot reach safe ground without a reduction in indebtedness, because there is a deficit of 3.5 billion dinars and there is no offsetting money, and because the deficit has increased and assets have declined. Reducing indebtedness to the capital available or less will lead to a solution to the crisis, God willing.

Fahd al-Mu'jil: Indebtedness ought to be reduced, and people should return to reality, and not to fantasy. If we pay close attention, it will be clear that the 27 billion dinars basically do not exist; there is no more than 2 billion dinars.

Muhammad al-Saqr: If reducing indebtedness means reducing percentages, it is possible that some people will drop out, and others will come in in their place.

Sabah al-Rayyis: In my opinion, it is very necessary. It is the natural situation. It will be difficult to issue a law reducing indebtedness, but the people involved in the problem are the ones who are responsible for solving it. If I have 400 percent and turn that into 20 percent, and take the 380 percent from you, that is not to be considered a loss, but human greed! Do we want the grapes, or do we want to kill the guard? There are people who want to kill the guard! I do not consider that that is acceptable in our society.

Ahmad al-Bazi': I imagine that the optimum solution is to go back to the available capital and in this I am guided by the holy verse: "If you have repented, you may have your capital."

Jasim Budi: My opinion always was to be committed to the matter that "contracts are the holy law of the contracting parties." If there are people who consider that indebtedness among the main people who are implicated should be reduced, let them reduce it among themselves. No one will clean them out. Let them pay what people who are outside their group are entitled to. However, they do not want that, because they will lose some of their paper profits, and that is not permissible. It is true that there are some very high percentages, but in the days of glory, when you talked to those people or any official talked to them, they protested, saying that it was a free economy! This is the result they wanted. If there is a solution, let a neutral, untainted party present it, and everyone will accept it. But for a bunch of thieves to set out solutions, that is not permissible!

New Developments in the Market

Regarding the gentlemen's expectations concerning new developments which might occur on the local state in the market crisis, the people concerned with this matter replied as follows:

Jawad Bu Khamsin: This development is related to change. If the situation continues in this form, bad effects will result from it, and this society and its economic situation will be in bad shape for 3 or 4 years. However, if the efforts now being made to change the situation and convince people to cooperate with the official bodies through serious efforts are intensified, it will be possible to realize good results in order to emerge from this crisis. I should not forget to thank the arbitration commission, which has played a great role; the work it performed surpasses the imagination.

Ahmad al-Kandari: My expectations are that the crisis will go on 7 years or longer, that the spread of bankruptcy will encompass a greater number of people and that rancor and vindictiveness will become rife in Kuwaiti society. We can find our way out of the crisis by staying away from this nonsense. The Chamber of Commerce must act. This is the time for it to do so. The Trading Institution must cooperate with the chamber to come up with successful solutions.

Fahd al-Mu'jil: If people do not reach understandings and act leniently with one another, a bad situation will be created, the solution must be binding and must be in conformity with our Kuwaiti customs.

Muhammad al-Saqr: I expect that there will be many side agreements among merchants to make reductions among themselves, especially among the group of 47. It may agree that the percentage should be 20 percent, or hold up to 31 December. The people of Kuwait are well known for things like that.

Sabah al-Rayyis: The most important development which can occur is to decide that the dinar is bankrupt. That is the first thing which the organization or authority can do, so that people will know what is owed them and what they owe, and consequently their position may be defined and they will be able to judge how much of a reduction they should make for others. In the absence of such an approach, the problem will be resolved unjustly.

Ahmad al-Bazi': In reality, the situation is going from bad to worse. Many people have started dealing suspiciously with others today. The results we see are God almighty's punishment.

Jasim Budi: I do not expect anything new. This crisis has been portrayed in a form that is bigger than it is, and it must come to a normal end. The natural fate of all the people who speculated in the market will be either bankruptcy or a return to the status they had in the past.

In concluding this investigation, we thank the people who responded to us in giving a clear picture of the most recent developments in the market crisis, which is preoccupying the minds and the conversations of all the society of Kuwait, and we pray God for success and fulfilment.

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ASSEMBLY FAILURE TO DISCUSS BUDGET COMPLETELY NOTED

Kuwait AL-MUJTAMA' in Arabic No 626 Jun 83 pp 12-14

/Article by Hamad Al-Jasir: "Local Issues: How Did the Assembly Discuss the Government Budget?"

/Text/ From the beginning of March to the end of May, in no less than seven sessions, the Kuwaiti National Assembly proceeded to debate the general government budget and the budgets appended to it.

The National Assembly plays this seasonal role every year, with the conclusion of the term, the advent of the summer seasons, and the start of its annual recess. It is an important, serious role and represents one of the basic tasks the legislative power assumes in exercising fiscal oversight over the government's revenues and expenditures for an entire year.

The special economic circumstances which Kuwait is going through now, which have resulted from the deterioration of the world oil market, the drop in oil revenues and the collapse of the securities market in Kuwait in what has been known as the al-Manakh market crisis, have all given the National Assembly's fiscal oversight task this year the distinctive character with which it has been marked, or ought to have been marked. The drop which has occurred in government revenues, the appearance of a deficit in the general budget, in the face of the great increase in expected expenditures, and the issuance of appeals and warnings to guide spending and control increasing expenditures in the various institutions of the government have all placed heavy burdens on the National Assembly which it has not succeeded in bearing as thoroughly as possible, for various reasons. That resulted in the approval of the budget by the National Assembly in a hasty manner, in which the budget did not receive the needed careful examination and scrutiny.

Little Attention to the Budget

In general, the People's Assembly's attention to fiscal oversight, which is one of its main tasks, was not great; the assembly, in the past term, allocated eight "exceptional" sessions to the discussion of the budget, while devoting more than 32 sessions to legislative tasks.

In another area, the assembly's discussion of the budget was held in a disrupted manner. In their discussions, the deputies concentrated on specific points or

institutions, and ignore other institutions or ministries, without carefully discussing their budgets, thus avoiding deserved criticism. The government was shrewd enough to present the appended budget bearing on institutions and authorities first, so that the assembly would be able to devote its full powers to that, and left its general budget till the end, when the assembly had become totally exhausted and the annual holiday was imminent. Therefore, the assembly devoted seven sessions to discussing the budgets of 18 institutions, while the discussion of the budgets of 15 ministries took place in a single session!

The assembly also put almost total reliance on the Finance Committee's role in discussing and debating the budget. Even if the committee's work during the discussion was good, the deputies' observations and requests for explanations are considered to be necessary complements to this sort of discussion.

These points reflect the assembly's minimum attention to the issue of the budget, in comparison with the seriousness of this matter. Moreover, the sessions that were devoted to the discussion were exceptional and were on some occasions characterized by the absence of many deputies and their failure to monitor the discussions, out of neglect and indifference, or out of fear of embarrassment and a desire to stay away from the voting.

Some Assembly Discussions of the Budget

Perhaps it would be useful for us to engage in a review of some examples of the assembly's discussions of organization budgets which were held in the course of seven sessions.

The Scientific Research Institute:

One organization whose budget was discussed by the assembly was the Kuwait Scientific Research Institute. From the discussions which revolved around that, it is clear that the deputies had hoped that this institute would play the important role it had been asked to play for the government and the citizens. However, their hopes were dashed, to the point where one of the deputies said "I demand the formation of a committee to investigate the institute's conditions and to investigate what it has done and what it has produced!" The most conspicuous fault the deputies found with the institute was its low output, its minor role in remedying the scientific problems we are suffering from in Kuwait, such as problems of the environment and oil pollution, its failure to cooperate with government organizations, administrative matters with the institute, where appointments have been based on personal interests, and the enormous size of the subheading on salaries relative to expenditures as a whole. The deputies in general were successful in their criticism of this organization, and the assembly approved the institute's budget for the fiscal year 1983-84.

Kuwait Airlines:

The assembly also discussed the Kuwait Airlines budget. The deputies concentrated on issues concerning the organization's general policy and waived a discussion of the budget, except for small parts of it. That was because the deputies viewed

Kuwait Airlines as an organization to serve the country and provide comfortable service for the citizens more than a commercial organization. The deputies' discussions also entered into lengthy detail which it would have been better to cover in sessions other than those for investigating the budget, such as the subject of airline organization employee "B. B.," of whom the deputy Sarkhwah spoke, and the issue of the existence of blocs in the organization management and elsewhere. In the assembly's discussion of the Kuwait Airlines budget, it was observed that the deputies brought forth recommendations which they had presented in the discussions of the same organization's budget in the second term (last year), which the organization had not yet committed itself to. The assembly approved the organization's budget for fiscal year 1983-84, which contained revenues of 148 million dinars and expenditures of 147 million dinars.

The University of Kuwait:

During the assembly's discussion of the budget of the University of Kuwait, it was observed that the deputies presented the issue of the mixing of sexes in the university for discussion. This issue is much too large to be discussed in the context of criticism of the budget; our expectations of the assembly were that this important issue would be raised prior to the session, since it is basically not proper that the negative aspects of the phenomenon of mixing in the university should be raised among the deputies only in the context of measuring the competence of performance of the university administration, while determining the university's needs for money.

In addition, some deputies entered into peripheral points, for instance discussing the relationship between Kuwaitis and non-Kuwaitis in the university and the like, and in the course of the discussion brought forth strange recommendations, for instance, that non-Kuwaiti students should be prohibited from entering elections to scientific societies, a matter which student leaders in the university have rejected.

Nonetheless, some deputies observed that instruction in the university was in a state of deterioration and decline. They compared this with the constant annual increase in the university budget, although no perceptible effects of that can be seen and the university does not produce a beneficial yield in exchange for the millions that are spent. Some deputies recommended that a media department be established and proposed that the university girls' faculty be expanded to absorb most areas of specialization. They also proposed that female students' university dress be made uniform in a manner in keeping with Islamic law.

The assembly approved the budget of the university for the fiscal year 1983-84, which came to 50 million dinars.

The assembly got into similar discussions on other organizations, such as the Petroleum Organization, KUWAIT NEWS AGENCY, the Lending and Savings Bank and other institutions. These organizations received the bulk of the discussion in the course of numerous, lengthy sessions, thus exhausting the National Assembly.

Then after that the assembly proceeded to ratify the general budget, covering 15 of the ministries of the government, in the course of a single session, or half a session.

Peripheral Discussion

Although the deputies exerted great efforts in discussing the budgets, some of the discussions which took place were characterized by mediocrity and superficiality. The deputies' discussions concentrated on some essential matters of preference, which generally were particular points, rather than concentrating on the goals of the organizations involved in the discussion and the success of the organizations' management in reaching them. In the context of the discussion of a given organization's budget, the deputies went on at length in their criticism of detailed matters which might perhaps not have had a bearing on financial affairs, and the paucity of the deputies' conception of the goals of some organizations made them demand that specific needs be met which had no relationship to the goals.

In another area, some deputies, in their discussions, were accused of defending people they knew and people with whom they had personal ties at the expense of the public interest and the unadorned truth which deputies must strive toward in their discussions. One deputy rushed impulsively to justify the mistakes of one of his acquaintances who was an official who had been subjected to questioning and held the government responsible for these mistakes. One official, who has good relations with most of the deputies, was spared questioning, and the discussion of the organization he headed passed without investigation. In another area, the discussion assumed the character of an auction and severe attacks on officials who had bad relations with some deputies on some occasions. Also, the views of some deputies in general on organizations were founded on the complaints or praise from their friends, or on personal experience with these organizations, although the deputies are supposed to investigate the truth and the public interest and carry out research and investigation so that they can arrive at the formation of appropriate views and objective judgments.

Excesses in the Institutions

Another thing for which the assembly was rebuked was the fact that numerous excesses manifested themselves on the part of the organizations during the discussion, yet the assembly disregarded them and they were passed over during the discussion, such as the issue of embezzlement in the offices of Kuwait Airlines, which the official defended by saying "We do not live in exemplary times," and the issue of the Scientific Research Institute, whose mediocre activity and scanty production was defended by its director on grounds that the institute had not had enough time for research and construction, although the institute has been in existence for 16 years.

In addition, there was the subheading on salaries in the institute, which came to 16 million out of a total of 19 million total anticipated expenses.

Some Positive Features

However, one cannot deny that the discussions were marked on some occasions by positive points, especially during the discussion of the appended budget. From these discussions, it was evident that there were numerous negative aspects in the organizations whose budgets were discussed, and we can imagine that if the government ministries had received a similar amount of criticism, many negative features and weak points in them would have been raised.

It is also to be noted, with respect to the discussions, that the deputies often drew attention to the presence of matters that were in violation of Islamic law in some organizations, such as mixing in the university, the system of usury in the Lending and Savings Bank, and so forth. This reflects two positive things. First, the Islamic view prevails among the deputies, and to them matters are generally to be scrutinized in the context of Islamic law. The other thing is that the judgment of Islam in moral and financial matters has become observed and honored even by deputies who do not have an Islamic orientation, and the deputies' recommendations and discussions lie within the limits of the Islamic platform.

Matters the Assembly Needs

In order to be able to carry its burdens in full in the best manner, the National Assembly must have specific resources available to it which will help it perform these duties.

1. Scholarly advisors must be available to the deputy, who can help him examine issues, scrutinize matters and investigate facts, because economic, social, scientific and legal issues pass before the deputy in the course of discussions. It is not appropriate, for instance, for a deputy to be asked to hold a discussion with the government on the details of the constitution and laws unless he has a legal advisor. It is not in the deputy's power to hold a discussion with the government on economic affairs unless he has an economic expert who can present him with the complexities of the economy and trade and explain them to him.

2. The assembly must be given a longer period of time to discuss the issues presented to it. The discussion of the budget ought to have taken a longer time than it actually did, so that the ministries' budgets would not be passed without discussion, as happened this year.

The discussion of the budget also ought not be confined to the Saturday sessions, to the exclusion of the Tuesday sessions during the term, and the period for discussing the budget should not be under pressure of time, as was the case this year, when the budget was discussed in less than 2 weeks, because that method is burdensome for the deputies and does not give an opportunity for close examination and review.

11887

CSO: 4404/478

GOVERNMENT REWRITES RENT LAWS

Beirut AL-SAFIR in Arabic 20 Jun 83 p 3

[Article: "Government Proposal To Reform Rent Law Threatens Hundreds of Thousands of Lebanese With Homelessness"]

[Text] At the beginning of this month, the government sent to the Chamber of Deputies an urgent proposal for a law which, if passed, would lead to a social upheaval, some of the results of which would amount to no less than a 'legal' emigration movement for hundreds of thousands of Lebanese. In addition, it would pose a threat to the living standard of large sections of the middle class (the largest class in Lebanon) and place heavy additional burdens on the poor of the capital and its environs.

The proposal-cum-disaster is a bill to reform the rent law currently in effect, which was approved by the Chamber of Deputies on 9/9/1982.

AL-SAFIR, in view of the extreme seriousness of the bill, which would disturb the social balance in its entirety in Lebanon, is calling out loudly against it in order to stir up action by the broadest possible social, union, and political circles to stop the bill and keep it from being passed in the Chamber of Deputies.

The suggested reform of the rent law is more than a reform: it is a new law with a new spirit and a new essence. It is clear that those who have drawn up this reform have grown more powerful as a result of the big changes in the balance of power in the country on the sectarian, social and political levels, following the Israeli invasion of Lebanon.

They are trying, with one blow, to settle the relationship between property owners and renters in the favor of the former, after this relationship had been subject to complex and delicate negotiations and balances for 10 years. These negotiations and balances were marked by a spirit of gradualism, not of upheaval. Among the considerations which probably led to the composing of this reform was the completion of the operation to 'clean out' Greater Beirut so as to make the city fall more into line with the sectarian, economic and political position which it is supposed to occupy in the present and coming phases.

The majority of those who live in Beirut and its suburbs are renters. The "Study of the Labor Force" done in 1970 pointed out that 77.2 percent of those living in the capital rent, while the figure is 76.1 percent for those living in the suburbs. It is not unlikely that these percentages have changed since that time, but these changes have remained limited and insignificant. While acceptance is growing in certain social circles of the idea of buying new homes or owning old ones--an acceptance fed by the boom in real estate witnessed by Lebanon in the past years, as well as by the big monetary transfers from the Lebanese working in the Gulf--at the same time, the number of tenants in the capital and its suburbs grew all during the 1970's as a result of the repeated Israeli attacks on the South, followed by the 2-year war and its aftermath. It is this which compels one to conclude that the number of renters, as a percentage of the total number of residents of the capital and suburbs, is still very high. Indeed, it is probably no less than 75 percent. This high percentage gives us an idea of the comprehensiveness of the effects that could be produced by approval of the suggested reforms in the rent law.

The Clauses of the Bill

These reforms cover a large number of the clauses of the 20/82 law. It is possible to note briefly the following points:

1. In accordance with the reform bill, a date would be presented on which free contracting would begin, since this bill would permit the application of such contracting beginning from the date on which the reforms would be approved, while the 20/82 law postponed this date until the end of 1985. At the same time, the suggested reforms do not include any controls on the freedom of contracting, as is the case in the advanced countries. Rather, everything is made to submit to the will of the owner. This could lead to the suffocation of the housing market.
2. The reform bill noticeably reduces all forms of tenant compensation, either in the case when the rented property is reclaimed due to family necessity, or when reclamation is done with the goal of razing the building or reconstructing it, or when the owner is not bound to deliver services to the tenant.
3. The reform bill sets the date on which the initial verdict--not the final one--is issued as the basis on which tenant compensation is to be estimated. This threatens to lower the real value of such compensation by half during the period in which the lawsuit is being adjudicated, especially if this period--as is the case nowadays--is characterized by inflation.
4. The reform bill completely cuts out article 14, which used to stipulate that implementation of final verdicts issued on the basis of clauses A and B of article 6 and clause H of article 9, for a period of 2 years from the date on which the law went into effect. This means thousands of tenants could be forced to evacuate their dwellings immediately.

5. The reform bill throws a shadow of doubt on the fate and rights of tens of thousands of refugees (article 35), since it makes it easier for the rights of some of them to be wiped out in return for scant compensation equal to what is given when rented property is reclaimed due to family necessity; in addition, it destroys the rights of other refugees to sanctuary "if they settle permanently in another dwelling," although it is known that the lion's share of the refugees cannot return home due to security considerations (al-Nab'a, al-Maslakh).

However, the most dangerous thing about the reform bill is the roof it puts on tenant compensation in the case of the reclamation of rental property for family necessity, since it says that the value of this compensation may not exceed twice the total payments received by the owner from the tenant. Indeed, the provisions concerning the reclamation of rental property due to family necessity will affect no less than 40 percent of all tenants directly, while indirectly affecting all tenants, since in principle they allow any owner to isolate the residence as independent real estate and sell it to any person who wants a place to live or has children and can request that the dwelling be emptied for their sake. This change represents a sword pressed against the tenant's neck, not to mention the fact that it would spread rancor and hatred and caution among the tenants themselves, while putting all the cards in the hands of the owners. This reform-cum-upheaval calls for several observations to be made:

1. Those who drew up this reform did not in any way indicate the logic they used to justify the limiting of compensation to twice the value of the payments received from the tenant. They committed a clear error when they granted themselves additional rent payments year after year and set an amount equal to twice the arithmetic sum of these payments as the ceiling for compensation. Scientifically, it does not make sense to add payments year after year during the phases in which inflation is roaring along, since there is then a sharp yearly change in the purchasing power of the currency--the lira.

For example, someone who has been collecting rent payments on an apartment since 1966 is like someone who puts into one basket a collection of different and quite dissimilar goods: the Lebanese lira in 1982 was worth only 18 piasters of the 1966 lira. Therefore, payments should not be collected in this simple fashion. If those who drew up the reform insist on using the arithmetic sum of the received payments as a basis on which to determine the compensation ceiling--this is a matter needing some discussion, at any rate--they ought to determine the real value of these payments in the prices pertaining in the year in which the apartment is evacuated. If, for example, evacuation of an apartment is requested in 1983, the contract for which goes back to 1966, and if the yearly rent on the apartment is 1000 Lebanese lira, then the value of the payments paid in 1966, priced in 1983 terms, ought to be about 6000 Lebanese lira (one just multiplies the value of the yearly rental payments--1000 Lebanese lira--by the increase in the price level between 1966 and 1982). As for the amount paid in 1967, estimated in 1983

prices, it equals the nominal yearly payment (1000 Lebanese lira), multiplied by the percentage increase in prices between 1967 and 1983, etc. Detailed calculation have shown that the total sum of rent payments made since 1966, priced in 1983 prices, exceeds four times the arithmetic sum of the value of these payments. If this apartment were rented since 1950, then the value of the payments received, evaluated in 1983 prices, would in this case exceed five times the arithmetic sum of these payments. This means that the compensation ceiling set down in the reform bill is nothing more than haphazard. It is far less than the real value of the payments made by the tenant, when these same are put in terms of the year in which the apartment is vacated. This gap becomes wider as the age of the contracts increases, which is to say that the actual compensation becomes illusory and symbolic as the contract dates recede into past periods. Moreover, it is well known that two-thirds of the rental contracts in the capital and suburbs go back to before 1966, while 50 percent go back to before 1960.

2. In spite of the importance of evaluating the total of payments received from the tenant in terms of the price level in the year in which the apartment is vacated, instead of in yearly current prices, it is not really a matter of setting a limit to compensation by using this or that old method. Rather, it is a matter of deciding on the compensation fee with respect to the tenant who is forced to vacate his dwelling. Indeed, detailed calculations of tenant compensation done on the basis of the suggested reform bill, indicate that a lease signed in 1950 with a value of 1200 Lebanese lira per year (this was the average value of rent payments in that year, according to the estimates of the Institute for Research and Consultation) deserves compensation worth 82,000 Lebanese lira at the end of 1983; the figure is only 80,00 lira for a contract signed in 1960. The average value of such a contract, according to the Institute's estimates, is 1675 Lebanese lira a year. For a contract signed in 1965, with an average value of 2150 Lebanese lira per year, compensation reaches 82,000 lira. Compensation is 81,000 lira for a contract signed in 1970, with an average value per contract of 2900 lira per year. These figures mean that the tenant, whether his lease began in 1950, 1960, 1965, or 1970, will get an average compensation worth no more than 80,000 or 82,000 Lebanese lira. If we look, for example, at a tenant whose lease began in 1965, who gets 82,000 Lebanese lira in compensation, according to the suggested reform bill, we find that this compensation will not allow him to rent a home with the same specifications through a new lease, except for a period of less than 2 years. How's that? According to the Institute for Research and Consultation, the cost of renting rose 21 times between 1965 and the start of 1983. The average rent, which was 2150 lira in 1965, was 45,000 Lebanese lira at the start of 1983. So the compensation due a tenant who vacates his dwelling will only cover a period of one year and 10 months with respect to the new contract he will have to sign for a dwelling enjoying the same specifications as his old one. Moreover, the tenant might not find a place to rent. If he does, it is likely that he will be asked to make a 'vacancy' payment before signing the contract! These facts make clear to what extent the suggested reform bill would damage the current social-housing structure in Lebanon.

3. The limitation placed by the reform bill on tenant compensation strikes a mortal blow at the process of implicit mutual understanding which had begun to take hold between renters and owners concerning the more-or-less equal division of the surplus real estate value by the two parties in a way which would support the income of the landlord on the one hand, while letting the tenant take possession of his home, on the other. It is well known that the surplus real estate value has not been produced by effort or productive activity on the part of the owner or the tenant. Rather, it is the product of foreign and local economic and social factors which are interwoven and interlocking (economic growth, demographic changes the growth of the cities, land speculation, the development of the labor markets, inflation, etc.) It is therefore not appropriate for any one of the two sides to monopolize the fruits of the rise which has been realized in surplus real estate value. The suggested reform bill has fallen into precisely this pothole, since it would permit the owners to appropriate the lion's share of this surplus value, and without right. It is true that the owners were hurt by the severity of the inflationary wave in the 1970's. But this damage was passing and relative, since up until the end of the 1960's inflation was practically nonexistent in Lebanon. This means that the owners of dwellings rented before 1960 (such dwellings account for about 50 percent of all leases in the capital and its suburbs) got back their expenses with the profits they racked up for about 12 years before the inflationary waves began in the country. Though leases signed after the inflationary waves began or at their very start were exposed to harm, those signed while inflation was at its height, especially after the 2-year war, took account of inflation. All owners derived benefit, in these different situations, from the increase in the real estate value of their rented-out dwellings, even if this benefit sometimes remained theoretical. Though it must be admitted that there is a problem, the solution to it demands measures of a certain kind (such as raising new rents by one-half or one-third the average increase in wages). It cannot necessarily be done by transferring most of the surplus real estate value to the owners, or by changing leases into contracts of submission imposed on the tenants.

To put it briefly, the reform bill amounts to a new law, an immoderate and unfair law which intentionally and persistently pursues the tenants with the aim of wiping out their rights and gains at the cheapest of prices. It amounts to the forcible eviction of a large slice of tenants in the capital and suburbs, especially the poor. It is as if those who drew up this bill and ignored the social results which could come about if it is passed are ignorant of--or simply ignore--the dangerous effects the bill might have on the level of economic growth in general and on industrial growth in particular (three-quarters of industry's productive base are concentrated in the capital and the suburbs), not to mention the development of the labor market and the costs of production in it, in addition to other levels.

12224

CSO: 4404/480

MUSANDAM DEVELOPMENT PROJECTS NOTED

Muscat TIMES OF OMAN in English 14 Jul 83 p 3

[Text]

A large number of development projects have been recently completed in Musandam and many more are being implemented.

This was disclosed by Major al-Mutasim bin Hamoud al-Busaidi, Minister of State and Chairman of the Musandam Development Committee.

In an interview with "Jund Oman" a monthly magazine published by the Ministry of Defence, he said that among the projects currently underway are the construction of a youth centre, stores and electric and water workshop in Khasab, a corniche road in Bayah, a mosque in Lima and roads in Khasab. The projects are due for completion before the end of this year.

A number of new projects are to be launched shortly. These include the offices of the deputy governors in Madha, Bayah and Bukha, the building of a Shariah Court in Khasab and Fisheries Guidance

centres in Khasab and Bayah. The Khasab Hotel is to be expanded and offices of the Musandam Development Committee set up in Midha.

The Sultan of Oman's Armed Forces are cooperating with local people on the development projects.

Major al-Mutasim said that the Ministry of Defence provides helicopters to reach the employees from the Capital and mountain villages. The Ministry is building the Bayah — Khasab — Bukha road and will provide maintenance work for it. He said that the road was a major accomplishment of the Ministry of Defence, as it had not only linked the major villages in the area but also changed the entire outlook of Musandam.

Major al-Mutasim said that the power generation capacity in Musandam had been increased tenfold.

CSO: 4400/442

BRIEFS

INCREASE IN BIRTHRATE--The number of children born in Oman in 1982 was 32,080. This is over 2,500 more than those born in 1981. Of the total births 498 children were stillborn. 432 reported from hospital and 66 from health centres. These statistics have been released by the Directorate of Planning, Statistics and Follow Up of the Ministry of Health. According to the figure 25,303 births were reported from hospitals and 6,279 from health centres. In 1981 of the 29,457 deliveries, 452 were still births. The number of births reported from hospitals was 23,425 and the number of maternity cases handled by health centres was 5580. [Muscat TIMES OF OMAN in English 30 Jun 83 p 10]

NEW SCHOOL CONSTRUCTION--The Ministry of Education plans to build 171 schools during the current Five Year Plan. Several will be opened during the academic year beginning in September. Of the total 49 will be new schools, 102 replacement schools, and 12 regrouped schools. Eight schools have been provided to reduce the size of classes in overcrowded schools in the Capital Area and major Interior towns. The number of schools during the current academic year was 473. Of these 207 were for boys and 123 for girls while there were 143 schools having co-education. The number of students stood at 142,866 with 91,361 boys and 51,505 girls. There were 813 teachers--455 male and 358 female. The number of mosque schools was 567. The number of students receiving technical education in 18 schools both for boys and girls was 2,284. [Muscat TIMES OF OMAN in English 30 Jun 83 p 2]

CSO: 4400/442

PALESTINIAN AFFAIRS

WEST BANK PUBLICATION SURVEYS ATTITUDES TOWARD 'ARAFAT

Jerusalem AL-BAYADIR AL-SIYASI in Arabic No 56, 2 Jul 83 pp 13-15

[Article: "AL-BAYADIR AL-SIYASI Conducts an Important Survey; Responses Constitute a Blow to Enemies, Conspirators, Henchmen, Turncoats"]

[Text] 92.15 percent support continued leadership of 'Arafat.
71.95 percent support resumption of dialogue between Palestinians and Jordan.
55.47 percent support dialogue between Palestinians and Egypt.
75.29 percent support the Arab peace plan.
57.04 percent support continued contacts with Israel's peace forces.

AL-BAYADIR AL-SIYASI Magazine conducted a survey on the West Bank and the Gaza Strip that dealt with numerous subjects that are pending on the scene. The survey dealt with subjects that are related to current events which Palestinian citizens are watching with considerable anxiety. These events will have significant effects on various Arab and international scenes. In this survey, its second in less than 6 months, AL-BAYADIR AL-SIYASI has used a random sample of 777 male and female citizens from all sectors. Their opinions were recorded on special forms that were distributed for the survey. The forms contained seven questions [as shown below].

The results of the survey proved beyond any doubt that Yasir 'Arafat has the support of the vast majority of the Palestinian masses. Accordingly, these results constitute a defeat for all enemies, conspirators and turncoats. We hope these results will open the eyes of those who were deceived by promises made to them by those who resent our people and those who received checks that bounced.

We are providing the significant results of this survey here so that the whole world would know the popular stance of the Palestinian people. It is a stance that settles everything that is being said, rumored and taking place, particularly in the wake of current events which are taking place in more than one location.

Al-Bayadir Press Organization

AL-BAYADIR AL-SIYASI, Jerusalem

A Survey

Occupation:

- Worker
- Student
- Professional
- Clergyman
- Civil servant
- Teacher
- Farmer

Age Group:

- Under 20 years old
- Between 20 and 29
- Between 30 and 39
- Between 40 and 49
- 50 years and over.

The Region:

- Central West Bank
- North West Bank
- South West Bank
- Gaza Strip

Place of Residence:

- City
- Village
- Camp

Educational Background:

- Elementary
- Secondary
- University
- Illiterate

Sex:

- Male
- Female

Do you support Yasir 'Arafat's continued leadership of the Palestinian course?

- Yes
- No
- No opinion

Do you support the resumption of the Jordanian-Palestinian dialogue?

- Yes
- No
- No opinion

Do you support a dialogue between Palestinians and Egypt?

- Yes
- No
- No opinion

Do you believe that the United States may apply pressure on Israel?

--Yes --No --No opinion

Do you believe that Syria will withdraw its troops from Lebanon as part of an American plan?

--Yes --No --No opinion

Do you support the Arab Peace Plan that came out of the Fes Summit?

--Yes --No --No opinion

Do you support continued Palestinian contacts with Israel's peace forces?

--Yes --No --No opinion

The Number and Percentages of Those Who Were Asked Their Opinions on the Following Questions

Question Number	The Question		Yes		No		No opinion	
			Number	Percentage	Number	Percentage	Number	Percentage
1.	Do you support Yasir 'Arafat's continued leadership of the Palestinian course?		716	92.15 percent	42	5.41 percent	19	2.44 percent
2.	Do you support the resumption of the Jordanian-Palestinian dialogue?		559	71.95 percent	183	23.55 percent	35	4.5 percent
3.	Do you support a dialogue between Palestinians and Egypt?		431	55.47 percent	293	37.71 percent	53	6.82 percent
4.	Do you believe that the United States may apply pressure on Israel?		213	27.42 percent	535	68.85 percent	29	3.73 percent
5.	Do you believe that Syria will withdraw its troops from Lebanon as part of an American plan?		582	74.9 percent	131	16.86 percent	64	8.24 percent
6.	Do you support the Arab Peace Plan that came out of the Fes Summit?		585	75.29 percent	128	16.47 percent	64	8.24 percent
7.	Do you support continued Palestinian contacts with Israel's peace forces?		443	57.04 percent	248	31.9 percent	86	11.06 percent

The First Group: The Professional Distribution of Survey Participants

Occupation	Number	Percentage
Workers	106	13.64 percent
Students	125	16.9 percent
Professionals	202	26 percent
Clergymen	37	4.76 percent
Civil servants	171	22.01 percent
Teachers	89	11.45 percent
Farmers	47	6.05 percent
Total	777	100 percent

The Second Group: Age Distribution of Survey Participants

Age Group	Number	Percentage
Under 20 years old	71	9.14 percent
Between 20 and 29	225	28.96 percent
Between 30 and 39	245	31.53 percent
Between 40 and 49	181	23.30 percent
50 years and over	55	7.07 percent
Total	777	100 percent

The Third Group: Geographical Distribution of Survey Participants

Region	Number	Percentage
Central West Bank	271	34.88 percent
North West Bank	191	24.58 percent
South West Bank	232	29.86 percent
Gaza Strip	83	10.68 percent
Total	777	100 percent

The Fourth Group: Place of Residence of Survey Participants

City	Number	Percentage
City	324	41.70 percent
Village	295	37.97 percent
Camp	158	20.33 percent
Total	777	100 percent

The Fifth Group: Educational Background of Survey Participants

[Level of Education]	Number	Percentage
Elementary	85	10.94 percent
Secondary	263	33.85 percent
University	385	39.55 percent
Illiterate	44	5.66 percent
Total	777	100 percent

The Sixth Group: the Gender of Survey Participants

[Gender]	Number	Percentage
Males	626	80.57 percent
Females	151	19.43 percent
Total	777	100 percent

The Tendencies of Respondents' Replies According to Occupational Categories

Questions	Categories:			Students: 125			Professionals: 202			Clergymen: 37			Civil Servants: 171			Teachers: 89			Farmers: 47			Final Total 777	
	Workers:106	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Computed	Average
1.	Yes	99	93.4 percent	112	89.6 percent	187	92.58 percent	33	89.2 percent	156	93.25 percent	83	93.25 percent	46	97.87 percent	92.15 percent							
	No	5	4.7 percent	11	8.8 percent	8	3.96 percent	2	5.4 percent	11	6.4 percent	4	4.5 percent	1	2.13 percent	5.41 percent							
	No opinion	2	1.9 percent	2	1.6 percent	7	3.47 percent	2	5.4 percent	4	2.3 percent	2	2.25 percent	-	-----	2.44 percent							
2.	Yes	70	66.4 percent	82	65.6 percent	147	72.78 percent	31	83.78 percent	123	71.93 percent	65	73.03 percent	41	87.23 percent	71.95 percent							
	No	33	31.13 percent	34	27.2 percent	47	23.26 percent	5	13.52 percent	39	22.81 percent	20	22.47 percent	5	10.64 percent	23.55 percent							
	No opinion	3	2.83 percent	9	7.2 percent	8	3.96 percent	1	2.7 percent	9	5.26 percent	4	4.5 percent	1	2.13 percent	4.5 percent							
3.	Yes	51	48.11 percent	73	58.4 percent	109	53.96 percent	20	54.05 percent	95	55.55 percent	50	56.18 percent	33	70.21 percent	55.47 percent							
	No	49	46.23 percent	45	36 percent	76	37.62 percent	14	37.84 percent	68	39.77 percent	29	32.18 percent	12	25.53 percent	37.71 percent							
	No opinion	6	5.66 percent	7	5.6 percent	17	8.42 percent	3	8.11 percent	8	4.68 percent	10	11.24 percent	2	4.26 percent	6.82 percent							
4.	Yes	15	14.15 percent	111	88.8 percent	30	14.85 percent	4	10.81 percent	30	17.54 percent	10	11.24 percent	13	27.66 percent	27.42 percent							
	No	87	82.08 percent	11	8.8 percent	163	80.69 percent	28	75.68 percent	137	80.12 percent	77	86.51 percent	32	68.08 percent	68.85 percent							
	No opinion	4	3.77 percent	3	2.4 percent	9	4.46 percent	5	13.51 percent	4	2.34 percent	2	2.35 percent	2	4.26 percent	3.73 percent							
5.	Yes	77	72.64 percent	95	76 percent	155	76.73 percent	27	73.98 percent	126	73.69 percent	64	71.91 percent	38	80.85 percent	74.90 percent							
	No	21	19.81 percent	24	19.2 percent	30	14.85 percent	5	13.51 percent	30	17.54 percent	17	19.1 percent	4	8.51 percent	16.86 percent							
	No opinion	8	7.55 percent	6	4.8 percent	17	8.42 percent	5	13.51 percent	15	8.77 percent	8	8.99 percent	5	10.64 percent	8.24 percent							
6.	Yes	63	59.43 percent	95	76 percent	147	72.77 percent	27	72.98 percent	135	78.95 percent	76	85.39 percent	42	89.36 percent	75.29 percent							
	No	30	28.3 percent	22	17.6 percent	36	17.82 percent	8	21.62 percent	21	12.28 percent	7	7.87 percent	4	8.51 percent	16.47 percent							
	No opinion	13	12.27 percent	8	6.4 percent	19	9.41 percent	2	5.4 percent	15	8.77 percent	6	6.74 percent	1	2.13 percent	8.24 percent							
7.	Yes	48	45.28 percent	79	63.2 percent	108	53.47 percent	17	45.95 percent	103	60.23 percent	58	65.17 percent	30	63.83 percent	57.04 percent							
	No	43	40.57 percent	37	29.6 percent	74	36.63 percent	14	37.84 percent	52	30.41 percent	18	20.22 percent	10	21.28 percent	31.9 percent							
	No opinion	15	14.15 percent	9	7.2 percent	20	9.9 percent	6	16.21 percent	16	9.36 percent	13	14.61 percent	7	14.89 percent	11.06 percent							

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

POPULAR DEFENSE COMMITTEES DISCUSSED

Nicosia AL-HURRIYAH in Arabic No 20, 12 Jun 83 p 26

[Article by Samir Muhammad: "Cuba Was the School: Democratic Yemen Corrects the Experiment of the Committees for Popular Defense"]

[Text] The celebrations held by the Organization of Popular Defense Committees to mark the 10th anniversary of its founding (the first jubilee anniversary) was crowned by a rousing celebration held in the hall of the Higher School for Scientific Socialism, where the presidium of the Supreme People's Council granted the Order of the Revolution (14 October) to this pioneering organization. President 'Ali Nasir Muhammad presented the highest order in the People's Democratic Republic of Yemen to Comrade Sulayman Nasir, a member of the Central Committee and head of the secretariat of the national committee of the Organization of Popular Defense Committees. On this occasion, the president gave a speech which touched on the circumstances surrounding the founding of the organization and the important role it played so well, in addition to the difficulties it faced. The president said he considered the organization to be one of the progressive achievements that had been realized in Democratic Yemen, on the basis of broadening the effective participation of the masses in political life and the administration of the affairs of the new state. The president hailed the efforts exerted by the organization's founding members, who made use of all their potential and energies and worked together with their Cuban comrades to build a unit that would be one of the strongest and most broad-based of the mass institutions on which the Yemeni Socialist Party depends.

On the occasion of the first jubilee anniversary celebrations of the Organization of Popular Defense Committees in Democratic Yemen, we want to give the readers of AL-HURRIYAH magazine an idea about this organization, which on its own amounts to a pioneering experiment unique in the Arab region.

Drawing Benefit From Cuba's Experiment

The idea of setting up the Organization of Popular Defense Committees was inspired by the experience of the Committees to Defend the Cuban Revolution. The Central Committee of the political organization--the National Front--sent two members from the central committee to Cuba to do

a study of the experience of the Committees to Defend the Cuban Revolution. After that, the Central Committee while in session instructed that the Organization of Popular Defense Committees was to be set up, as an embodiment of the slogan pronounced by the Central Committee during its fourth session in 1973: "Plan with us...Work with us...Rule with us."

The 30th of May 1973, the day on which the first Popular Defense Committee was inaugurated in the al-Mansura region in Shaykh 'Uthman's district, has come to be considered the day on which the Organization of Popular Defense Committees in the People's Democratic Republic of Yemen was founded.

Afterwards, a large number of popular defense committees was formed, so many that they covered the territory of the Democratic Republic of Yemen. They were organized on the pyramid system, which is appropriate to the Democratic Republic of Yemen's administrative organization, since the republic is divided into governorates, the governorates into provinces, and the provinces into districts. Therefore, the defense committees were formed on the district, provincial, governorate, and all-republic levels. Similarly, on the district level, committees were formed for quarters and housing units.

The Tasks and Accomplishments Are Many

The most prominent achievements of the Organization of Popular Defense Committees in the Democratic Republic of Yemen can be summarized under the following points:

- Protecting security and stability in inhabited areas by means of night guards;
- Monitoring the movements of suspicious and furtive elements among the ranks of the masses, as well as the exposure of these elements and the settling of accounts with them;
- Helping to protect economic installations and institutions in the country;
- Participation in building and development through volunteer work;
- Helping to control the matter of food supply through the distribution of ration cards;
- Participating actively in controlling housing and housing fraud;
- Participating actively in combatting epidemics and harmful insects through district environmental health campaigns;
- Solving simple family and social problems, in order to lighten the pressure on the legal apparatus;

- Linking families with schools through organization representatives in the schools' parent councils;
- Participating in the comprehensive campaign to wipe out illiteracy, by means of opening special classes for members;
- Organizing solidarity festivals with various peoples, in addition to setting up picture exhibitions on occasions;
- Effectively helping the state's military apparatus to implement the Personal Identity Card Law;
- Participating in setting up social justice boards in the districts of the Aden governorate.

An Experiment Unique in the Region

The AL-HURRIYAH correspondent in Aden put a question to Comrade Sulayman Nasir, member of the Central Committee of the Yemeni Socialist Party and head of the secretariat of the national leadership, concerning the realization of the goals for which the organization was set up. He answered, saying:

"The experiment of our organization is the second of its kind in the world, after the revolutionary experiment in Cuba. Other countries have followed our example such as Ethiopia and Benin. In our country, the defense of the revolution called the organization into being. It was at the head of the organization's schedule of tasks. This is demonstrated by the setting up of the guard and the revolutionary censor, as well as by the providing of assistance to the security and defense systems and other agencies having to do with defense and the protection of the revolutionary achievements that have been realized. This task is the basic one. The masses of our people have participated by joining the ranks of our organization in large numbers to help defend the revolution. The masses have participated in the protection of economic institutions, by giving aid and support to the armed forces and the security agencies in implementing the General Reserve Law and the Military Service Law, by helping the emigration and passports agency insofar as the movement and transfer of citizens is concerned, and by strengthening the Personal Identity Card Law. Educational, cultural and ideological work is also part of the organization's group of tasks. This work can consist of bringing into focus and explaining the policy of the political vanguard of the Yemeni Socialist Party, as it is set forth in the party's program and the decisions of its bodies, in addition to the decisions of the presidium of the Supreme People's Council and those of the Council of Ministers. This task of ours lies in delivering the policy to the masses in the living quarters and units all over the republic by using our systems and our cadres, for the masses are still in need of greater clarity and more explanation of this policy. We do not merely stick to the media, for we know that the popular organizations are the bridge which can deliver the party's policy to the masses. Our organization, side by side with the other mass organizations, has, during the last ten years, participated in clarifying this policy during various stages. This task, as you know, is difficult and complex."

EDUCATION APPOINTMENTS DISCUSSED

Doha AL-'ARAB in Arabic 5 Jun 83 pp 4, 8

[Excerpts] His Excellency Shaykh Muhammad Bin Muhammad Al Thani, the minister of education and instruction, announced several ministerial decisions, the first one of which sets up an agency for teaching girls which is to be called the Agency for the Teaching of Girls.

The same decisions also creates three directorships in the above mentioned agency, for secondary, preparatory and elementary instruction.

The decision places this agency with its divisions under the director for technical affairs.

The other ministerial decisions implement assignments and transfers in the three directorships of the Agency for the Teaching of Girls, as well as the administrative centers and directorates of some boys and girls schools. This is being done to fill the new and still vacant administrative centers in the schools.

The second ministerial decisions implements the following assignments for the three teaching directorships:

- 1) Nahid Muhammad al-Qala is appointed as head of secondary instruction for girls;
- 2) Muza 'Abd-al-Rahman Fakhru is appointed as head of preparatory education for girls;
- 3) 'A'isha Yusuf Fakhru is appointed as head of primary instruction for girls.

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CSO: 4404/460

INDIAN BANKS TO MANAGE EXCHANGE FIRMS

Doha DAILY GULF TIMES in English 5 Jul 83 p 3

[Article by K N Sharma]

[Text]

The Qatar Monetary Agency has allowed two Indian banks to manage two privately-owned Qatari finance and exchange companies in the state on a contract basis.

A restriction clause imposed by the agency, the country's central banking authority, forbids the foreign banks from deputing more than two personnel on the staff of the exchange companies under their management.

Another restriction limits the managing banks' share in the profits of the company not more than 15% and disputes arising during the contract will have to be adjudicated according to Qatari law, and not international law.

The banks allowed to manage Qatari exchange companies are Syndicate Bank which has entered into a deal with Al-Shaiebi Finance and Exchange Corporation, and the State Bank of India which is finalising a contract with Middle East Finance and Exchange Company Ltd.

Al-Shaiebi exchange is likely to be the first Qatari company to restart remittances to India at "latest by August 1", says Mr M Ganesh, an Indian chartered accountant who manages the company presently.

Mr Ganesh says that top executives of the Syndicate Bank are expected in Doha in the third week of this month, just after Eid al-Fitr, to sign an accord in the presence of QMA officials.

Two of Syndicate Bank's officials who will act as general manager and operations manager of Al-shaiebi have already visited Qatar.

The Mefex's negotiations with State Bank of India are in a final stage. The Reserve Bank of

India, the country's central monetary authority, has approved the dealings. But it awaits the Indian Ministry of Finance's concurrence to take effect.

Mr Mohammed Iqbal, associate managing director of Mefex, hopes that his company might be able to resume operations to India "within a month."

Qatari and other Gulf exchange houses' operations to India had been abruptly suspended last year in the wake of the sudden collapse of Qatar's International Finance and Exchange Corporation. Indian banks which lost about QR32m in overdrafts to the IFEC has refused to honour any draft written by exchange houses in the Gulf. This sent many exchange companies out of business.

Some of them were trying to enter into management contract with Indian banks to resume operations. At least in Dubai exchange houses are known to have successfully restarted operations last month.

The drafts issued by exchange companies managed by Indian banks will be honourable on all branches of the respective banks and their correspondents. The State Bank of India has 7,400 branches throughout India and some overseas, and Syndicate Bank 1,300 branches in India, and one overseas.

In addition, the two banks have their correspondents throughout the world.

In granting the permission to Indian banks to manage the Qatari exchange companies, the QMA has also allowed them to deal in bullion on stock basis, foreign exchange and travellers cheques.

NEW DESALINATION PLANTS PRODUCING 16 MILLION GALLONS PER DAY

Doha WEEKLY GULF TIMES in English 30 Jun-1 Jul 83 p 3

[Article by Zafar Malik]

[Text]

DOHA will be receiving an additional quantity of 16 million gallons per day of water by the end of Ramadan, the head of the distribution section of the Water Department said yesterday.

Mr Ghanim Mohamed al-Kubaisi said the water would come from four new desalination units which are to be commissioned in Qatar next week.

The commissioning of the extra four desalination units will mean that over 51 million gallons of fresh water will be available for distribution.

Mr al-Kubaisi denied reports of water shortages in some districts of Doha.

He described complaints from Najma as individual in nature and said there was no water problem in Bin Imran and Fareek Ishaq areas.

He, however, said a part of Ghanim Jadeed has been suffering supply problems for the last three or four days but majority

of consumers were receiving water normally.

He explained that demand for water increases during summer in general and Ramadan in particular, by 20% to 30%.

To cope with this, Mr al-Kubaisi said water supplies are reduced from winter's 24-hour service to 12 to 16 hours a day. "This does not adversely affect the people in Doha, who have still sufficient water," he said.

Daily water consumption in Qatar is between 32 and 34 million gallons. Present production is 34 to 36 million gallons.

CSO: 4400/441

STEEL COMPANY SUCCESSES PRAISED

Doha WEEKLY GULF TIMES in English 30 Jun-1 Jul 83 p 26

[Article by K N Sharma]

[Text]

AFTER years of struggling to survive the steel industry is now "picking up", according to Mr H Gamada, outgoing secretary of Qatar Steel Company (QASCO).

Mr Gamada said the recovery resulting from the overall economic upturn in industrial countries will be clearly noticeable from August or September. "The coming year will be really good", he said.

Mr Gamada, who served Qatar Steel for the past 30 months, goes back to Tokyo tomorrow to take up responsibility as assistant general manager of the steel export department of his parent employer — Kobe Steel.

Kobe Steel which has 20% stake in QASCO and which manages the Qatari company on a contract exports about 2m tonnes of steel a year — much of it in the Gulf region.

Mr Kenji Hashimoto, another Kobe Steel official, has taken over from Mr Gamada at QASCO.

Mr Gamada, who was personally responsible for administration and training young Qataris

to take over management jobs at the QASCO, said he was not sure if Qataris would take over management of the company after 1986 when Kobe Steel's extended term expires. "But they can do it. It is our sincere expectation".

He said QASCO has made remarkable progress over the years since its inception. It is rated among the most efficient and successful steel mills in the world. And now that the market is improving, QASCO should initiate steps to expand its capacity, he said.

Mr Gamada said the commissioning of the Saudi steel complex — Hadeed — does not pose any threat to QASCO's market share. Saudi Arabia which has been buying about 40% of QASCO products will continue to take it at Hadeed steel prices. "Actually our market is protected there", he said.

Mr Gamada said QASCO has no plans to reduce its staff. "Every year 50 of our people retire normally for various reasons and we fill up their vacancies. We propose to do the same this year, too," he said.

EDUCATION FOR WOMEN DISCUSSED

Riyadh AL-YAMAMAH in Arabic No 758, 29 Jun 83 pp 14-16

[Interview with His Excellency al-Shaykh Muhammad ibn 'Awdah, Superintendent General of Women's Education by Idris al-Daris and Sami al-'Uthman: "The Solution Is To Establish a University for Women"]

[Text] AL-YAMAMAH interviewed His Excellency al-Shaykh Muhammad ibn 'Awdah the superintendent general of women's education. During that interview we raised a set of questions that are on the minds of all those who are interested in the education of women in our country. Al-Shaykh ibn 'Awdah spoke about all these issues, putting special emphasis on the establishment of a university for women about which detailed studies have been made. His excellency thinks that establishment of such a university would provide a solution to many of the pending questions around the education and, at the same time, the employment of women in the kingdom. Al-Shaykh ibn 'Awdah told us news about opening up [to women] the field of obstetrics and gynecology and allowing women to study in that field. He also told us news about the establishment of new departments in existing colleges. Above and beyond that, let's read the interview.

[Question] We are delighted with this interview, Your Excellency, which comes after you assumed the position of superintendent general of women's education. We are even more delighted with the fact that you are sharing with us your ambitions regarding the education of women in general. What are the prospects and implications of these ambitions?

[Answer] It is a fundamental fact that the ambitions of any state official be part of the ambitions of the country's ruler. These are broad, enlightened ambitions made sufficiently obvious by this visible support for knowledge and for the institutions of learning. This support is continuous and unflagging. We in the office of the superintendent general for the education of women must try to achieve what these ambitions hope to achieve.

We pray God Almighty that education for men and women in general become a beacon, showing man the road to goodness, truth and justice and strengthening his relations with his God. We hope that education will imbue man's works with sincerity and good intent. It is my hope that education will realize the goals of development and that educational plans and curricula will be linked with the life and aspirations of the nation. It is my hope that the education of women continue

on the course set by the state and accepted by the nation, a course that stays away from the pitfalls of temptation or corruption. It is my hope that being reserved and veiled will not prevent women from reaching the highest levels of education and offering the best and most honorable services they can to their religion, their country and to other women.

[Question] Do you think that colleges have been able to fill the shortage that exists in some disciplines?

[Answer] Intermediate colleges are the best alternative to teachers' institutes. These colleges, whose graduates teach in elementary schools, have four departments:

1. The Holy Koran and Islamic Studies
2. The Arabic Language and Social Sciences
3. Science and Mathematics
4. Home Economics and Artistic Education

It is hoped that a fifth department will be added; it will be called Primary Grades and Kindergartens. By the beginning of next academic year the superintendent's office will have 14 intermediate colleges and will meet almost all the needs of elementary education in most cities and nearby residential communities for Saudi teachers. Out of a desire to improve the efficiency of Saudi teachers, a number of student slots has been designated in intermediate colleges for teachers who are starting to work so they can be trained to do a better job of teaching in a specific discipline after they graduate.

[Question] How in your opinion is the development of teachers' institutes progressing?

[Answer] I indicated in my answer to the previous question that intermediate colleges were a better alternative to teachers' institutes. This does not mean that we are abandoning institutes for teachers. We are still using these institutes as our source for elementary school teachers. The vastness of the kingdom and the conditions of women make it incumbent upon us to open institutes in every housing community. When the need for an institute in an area where one was opened ceases to exist, operations at that institute are scaled down, the institute is turned to a secondary school and then it is moved to another location where it is needed. In this way we were able to have Saudi teachers in the various parts of the kingdom. The number of teachers' institutes is 84, and these institutes have 5,625 students.

[Question] What progress has been made in the policy set by the Office of the Superintendent General for the Education of Women regarding spreading women's colleges out in all the cities of the kingdom?

[Answer] The policy on the higher education of women of the Office of the Superintendent General for the Education of Women stems from the sense of responsibility the office has for all stages of women's education. It is a policy that

reflects the feelings of His Majesty the King and His Royal Highness the Crown Prince: every Saudi girl who is capable is entitled to receive higher education and to obtain that education in any city in the kingdom where she lives, if that is possible, in accordance with a gradual schedule that takes into account available resources and the needs of Saudi society. The Office of the Superintendent General for the Education of Women regards spreading higher education for women throughout the kingdom as a basic part of the development plan that was devised by our discerning government. There is no doubt about the fact that women represent a considerable resource that ought to be put to use so that progress can be made.

In light of this principle the Office of the Superintendent has made rapid progress during the past 10 years in spreading higher education for women according to a plan whose purpose is, first, to meet the kingdom's need for teachers and stay in step with the major expansion in general education for women. This plan takes into account population density, the number of graduates and geographical locations. The Office of the Superintendent began by establishing a College of Education for Women in Riyadh in 1390 A.H. Other colleges of education for women were subsequently established, and in less than 10 years colleges of education for women were established in Jeddah, Mecca, al-Madinah, Baridah, Ibha and finally in Tabuk. This did not preclude the establishment of other colleges for other disciplines since the disciplines in higher education for women are being expanded. An institute for social service in Riyadh was added on to women's colleges, and it was developed into an institute of higher learning offering a university degree. A college of letters was also established in 1399 A.H., and a college of letters and sciences was established in al-Damam the same year.

The Office of the Superintendent is making more plans to establish new colleges for women throughout the kingdom to realize total progress for women. However, the steps we take are calculated, and as far as providing faculty is concerned, we expand as much as our resources allow us to. The state is generous with us as far as funds are concerned, and we spare no efforts. However, we are sometimes thwarted from realizing the ambitions of our discerning government by [the difficulty of] providing human resources. God willing, however, we will overcome these obstacles. We hope that in future years as the number of Saudi women who are enrolled in higher studies grows, we will be able to open more colleges in the various areas of the kingdom.

[Question] You have a study that was made previously about opening up a women's university that will bring together all the students who are enrolled in colleges that are under the Office of the Superintendent General for the Education of Women and in colleges that are under the university. All these women's colleges would then be subordinate to one university. What has been done in this regard?

[Answer] Based on its sense of responsibility for the education of women in the various stages of education, the Office of the Superintendent General thinks it is necessary to establish a university for women that would bring together the scattered efforts that are being made for the education of women and make plans for the education of women according to the needs of the kingdom and the aspirations of Saudi society. The Office of the Superintendent General has therefore prepared a proposal for a women's university and presented it to the competent authorities. The proposal has gone through several stages of study and scrutiny,

and we hope that it will provide the outcome that is being hoped for. A women's university is a basic demand we are all hoping for. It would realize for women education that is consistent with their feminine nature. The fact that women enroll in higher education in men's universities denies them to a large extent the use of facilities, benefits and campus buildings which they will have access to under an independent university education system. If with the help of God Almighty this women's university is established, it will be established in the context of a fundamental, specific principle in the policy of education in the kingdom. The premise of that principle is Islamic, and its rationale is scientific. Its underlying idea is that women have a special function in society and specific responsibilities that complement the responsibilities of men. Since the nature of women's responsibilities differs from that of men, women's education must therefore be different from men's, even though education for women may share some features of education for men in some disciplines.

Thus, issuing a set of rules for a women's university, if such a university is established, would allow that university to proceed without restrictions with efforts to expand construction, educational programs and all research and educational services that have to do with women in the kingdom.

[Question] The science of communications is a modern science and seems to be extremely important for both men and women. Is it possible to include that discipline in college curricula?

[Answer] The policy of the Office of the Superintendent General proceeds according to a plan and to specific priorities that are based on a study of needs and a response to those needs according to their importance. Foremost among those needs was the preparation of teachers. We do not prepare our women to go into the various disciplines unless we are certain that our society has an urgent need for those disciplines. We do this so as not to waste society's resources.

[Question] There are many ambitious young women who would like to complete their university education by pursuing a course of independent study. Opportunities for these young women are very limited. It is known that there are young women whose difficult conditions have kept them from enrolling in classes at a university. Would you comment on that?

[Answer] As far as the principle is concerned, there is no doubt that being enrolled in classes at a university is preferable to independent study. Some young women, however, due to their conditions and responsibilities or because they live far from a college, have to follow a system of independent study. This is the case particularly in theoretical subjects. Accordingly, students studying literature may enroll in colleges for courses in independent study in literature. But independent study is not available in those disciplines that require practical or applied studies or laboratory experiments in the colleges of education or in science departments. There may be a way to remedy that situation and respond to the wishes of those ambitious young women if it becomes established that their numbers are large enough to justify thinking of using television or radio to give them access to such disciplines in the context of a so-called university without walls.

At any rate colleges would not begrudge a student pursuing independent study the space, if it is available, if she wishes to obtain further education. The Office of the Superintendent General has accepted large numbers of students pursuing independent study at rates that are greater than those accepted by the few universities that allow independent study.

Thus the Office of the Superintendent General is providing greater opportunities for Saudi women to pursue a university education. The Office of the Superintendent General is making it easier for Saudi women than it is for other women to reconcile their family obligations with their educational aspirations.

[Question] The conversation about modern mathematics makes us shift to another topic. Have Saudi women been able to become competent to teach this subject?

[Answer] When the teaching of modern mathematics was approved in the elementary grades, we had no teachers who specialized in teaching that subject. The Office of the Superintendent General tried to overcome that problem by setting up courses for teachers of mathematics. There was some hardship, and changes were made in the mathematics curricula of the teachers' institutes, the intermediate colleges and the colleges of education, which provide us with our teachers. Therefore, I am hoping that the future of modern mathematics, regarding the availability of specialized teachers for that subject, will be better than the past and the present.

[Question] Some time ago the Office of the Superintendent General stated that Saudi teachers met 80 percent of our needs in the stage of elementary education. What is that ratio now, and what is that ratio in the other stages of education?

[Answer] The fact that education has become widespread throughout the kingdom and in areas that are far from major cities forces us to rely on long term contracts with teachers. The minimum required of a female Saudi citizen to qualify for teacher training is graduation from an intermediate school.

The fact that we have a sufficient number of teachers or a surplus in most cities and large residential communities is countered by the shortage of teachers we have in remote villages. However, because we are opening teachers' training institutes everywhere there is even a small residential community, we are hoping to have a sufficient number of teachers. The anticipated ratios for Saudi teachers in the various stages of education are as follows:

Kindergartens: 92 percent.
Elementary: 85 percent.
Intermediate: 39 percent.
Secondary: 38 percent.
Teachers' Institutes: 22 percent.
Intermediate Colleges: 40 percent.
Schools for teaching the Holy Koran: 90 percent.

[Question] It is being said that the system of teaching which was used in the past is better than the present system. This is based on comparing the standards of students in the past with standards of students now. Our question is about the value of the subject matter that is being taught and the method that is being used to teach that subject.

[Answer] If the courses are being evaluated by what students get out of them, then the standards of students according to measurements that are currently recognized are still good. Parents may know this, but this does not mean that they are satisfied with the standards that have been achieved.

Regarding the question about the value of the subject matter that is being taught and the method that is being used to teach that subject, there is no doubt that the courses that are taught are among the factors affecting the life of the nation because they have to do with the education and proper guidance of young people. These courses ought to be the subject of attention; they ought to be considered and reconsidered so they can stay in step with cultural changes and remain linked with the aspirations of this country and its plans for development. They must also adhere to the instructions of our tolerant religious law. The objective of development is man, and man is the means by which development can be achieved. The courses that are being taught are the foundation for building the character of man. A study of these courses is being conducted by competent educational authorities, and we hope that this study will be completed soon so that the objectives and aspirations of the nation can be achieved and its continued progress on a proper religious course can be realized. Furthermore, the method of teaching a course or carrying out the objectives of a course is more important than the preparation of that course. Teachers, guidance counselors and educators are the foundation and the means by which virtue is instilled, people's characters are formed and ambition is created in students. They must be chosen with care.

[Question] As you know many young women obtain a secondary school certificate and get no further education. Why aren't these women utilized and provided with work opportunities instead of letting them stay unemployed?

[Answer] The Office of the Superintendent General is trying to hire the largest number of those individuals by means of the Civil Service Office and thereby meet the needs of schools.

[Question] The Office of the Superintendent General has asked for the coordination of efforts with the Civil Service Office and with universities regarding the enrollment of female students in all disciplines in the universities. What has been done about that request?

[Answer] This question has to do with what we previously mentioned regarding the establishment of a university for women. If there is one agency overseeing higher education for women, [the process of] making plans and setting directions for women's education will be easier than it is now. There is no doubt that increasing numbers of students in certain disciplines has been the result of the fact that multiple agencies oversee the education of women. The Office of the Superintendent General is now trying to do as much as possible to reconcile the needs of society with the wishes of students and available resources. Let us reaffirm that it is essential that female students be steered toward feminine disciplines. There is no need for women to compete with men in disciplines that are not suitable to their nature. And society may not need these growing numbers of students in those disciplines.

We've presented the current situation to the competent authorities so they can take part in curbing its effects even though we are already cooperating with

these agencies in this and other areas. We think that the establishment of a university for women is the practical solution to this matter.

[Question] Don't you agree with us that our need for university educated women who can teach is equal to our need for women physicians and pharmacists?

[Answer] Yes, we believe that. The kingdom's educational policy has stipulated that the purpose of women's education is to provide a proper Islamic education so that women can perform their function in life: becoming successful homemakers, exemplary wives and good mothers. The purpose of education is to prepare women to do what is suitable to their nature, such as teaching, nursing and providing medical care for women. Priority has been given to the establishment of colleges of education because of the growing need we have for female teachers following the comprehensive expansion in the various stages of education for women. However, the disciplines that women can become engaged in have become diverse. Thus, the Higher Institute for Social Service was developed, and a study is now underway to establish a department of library science in the College of Letters in Riyadh. Librarians would graduate from this department, and the shortage in this area would be met. We are now also inclined to open up the study of obstetrics and gynecology to women when appropriate resources become available. There is nothing to prevent the opening up of other disciplines to women as long as this is done in the context of Islamic law.

[Question] There is a study [underway] to restore the idea of teaching the French language in the intermediate and secondary stages. What has happened to this study?

[Answer] The French language was taught in the secondary stage only as a second foreign language. A decision was made to drop French from the curriculum, and there is no study [underway] to restore it to the curriculum.

[Question] Stemming from the establishment of the Gulf Cooperation Council, we would like to know the extent of the existing cooperation between the Office of the Superintendent General and the ministries of education in the Gulf.

[Answer] The Office of Arab Education in the countries of the Gulf is engaged in good and concrete activities to promote ties and relations between the peoples of the region and to carry out the exchange of experts and expertise. Officials exchange visits. The projects undertaken by that office are also considered efforts prompting the integration of educational institutions in the region.

[Question] What are the next projects of the Office of the Superintendent General?

[Answer] One of our most important projects is to complete the plan to spread education so that no village, no matter how small or how remote, would be without educational [services]. Furthermore, our basic objective is to upgrade courses, the educational plan and textbooks. One of our most important ambitions is to improve the status of teachers, improve their competence and their efficiency and heighten their sense of civic and educational responsibility and their attachment to their work. We also hope that we will have an appropriate building for each school during the course of the next plan and that all furnishings and requirements for instruction for this building will have been completed.

USSR, AFGHANISTAN EXPAND COOPERATION

Kabul KABUL NEW TIMES in English 18 Jul 83 pp 2-3

[Text]

The third session of the permanent inter-governmental Soviet-Afghan commission for economic cooperation has been held in Moscow. Below chairman of the Soviet part of the commission Ziya Nuriyev, vice-chairman of the Council of Ministers of the USSR, tells Novosti's correspondent Vladimir Generalov about the results of the session and the characteristic features of economic cooperation between the Soviet Union and Afghanistan.

The third session of the permanent inter-governmental Soviet-Afghan commission for economic cooperation noted the successful implementation of the recommendations and decisions of the second session, approved the results of the work carried through by Soviet and Afghan organizations to meet their mutual commitments and discussed ways of further expanding bilateral ties.

The protocol we have signed with Khalil Ab-

awi, vice-chairman of the Council of Ministers and chairman of the State Planning Committee of the Democratic Republic of Afghanistan said that an agreement had been reached on a wide range of problems related to economic and technological cooperation and trade. The Soviet Union will continue to help Afghanistan in developing its key industries such as power engineering, fuel production, construction, transport and agriculture, in prospecting for and mining natural resources and in training specialists.

Such cooperation helps Afghanistan carry out the main tasks set by the April revolution: the development of industry, modernization of agriculture and the raising of the people's living standards.

The Soviet Union wants to see its southern neighbour confidently walking along the path of progress and prosperity. The history of friendly Soviet-Afghan relations, at the source of which Lenin stood, bears this out. Right after the

October Revolution in Russia the Soviet government annulled all unfair treaties and agreements imposed by Russian Imperialism jointly with western colonialists on the peoples of the east. On March 27, 1919 the Soviet Republic became the first state to recognize Afghanistan's full sovereignty which was proclaimed by Amanullah Khan. The Leninist principles of non-interference in the internal affairs of other countries, equality and mutual benefit became the solid basis on which Soviet-Afghan cooperation has been developing for decades.

The two countries began to cooperate in the summer of 1920 when a group of Soviet specialists brought to Afghanistan as a gift a radio and telegraph station. Later that year they signed an agreement, whereby Soviet Russia was to give Afghanistan one million roubles in gold. Ever since economic cooperation between the two countries has been expanding.

A number of large-scale economic projects have been built in Afghanistan with Soviet assistance. They have become the backbone of the Afghan economy. They include a nitrogen fertilizer plant in Mazar-i-Sherif, the first chemical enterprise built in Afghanistan, modern highways with a total length of 1,600 kilometres (one of these roads cross-

es the Salang pass in the Hindu Kush at the height of more than 3,000 metres, several electric power stations, including the country's biggest power plant at Nighlu, the Nangarhar irrigation scheme and several mechanized farms. An asphalt and concrete factory, an automotive plant, a bakery and several residential complexes have been built in Kabul with Soviet assistance.

It should be noted that all projects built with Soviet aid have been from the start the full property of Afghanistan.

For more than 20 years the Soviet Union has been assisting Afghanistan in developing its natural resources. Commercial deposits of oil, gas, coal and copper have been discovered in Afghanistan with Soviet assistance.

The two countries are actively cooperating in training Afghan specialists. Even during the construction and initial operation of projects built with Soviet assistance Soviet engineers trained tens of thousands of skilled workers for Afghanistan. Hundreds of young Afghans have acquired education in Soviet higher and secondary education institutions. A polytechnic, an auto-engineering school and an oil mining school have been built and equipped in Afghanistan with Soviet aid.

The victory of the national-democratic revolution opened up new prospects for the developme-

nt of Soviet-Afghan relations. On December 5, 1978 the Soviet Union and Afghanistan signed a treaty of friendship, good-neighbourly relations and cooperation. Economic relations between our two countries also underwent dramatic change. In 1978 the Soviet Union and Afghanistan set up a bilateral inter-governmental commission to deal with all urgent problems related to economic cooperation between the two countries, study its prospects and work out specific proposals aimed at expanding it.

Aware of the great problems that face the Afghan people who set out to rise from age-old backwardness, the Soviet Union provides wide-ranging assistance for the new republic. The projects built with Soviet assistance after the April Revolution include a plant to produce reinforced-concrete supports at Pul-i-Khumri (it will supply supports for a 220 kilovolt transmission line from the Soviet border to Kabul) and the Jarkuduk gas fields. Five machine and tractor stations have been built in the provinces of Balkh, Jawzjan, Herat, Baghlan and Kabul. A 816 metre railway and highway bridge has been built across the Amu Darya, the river that serves as a border between our two countries.

The second bakery and a factory for maintenance

and repair of heavy-duty lorries have been built in Kabul. The lotos-class intersputnik satellite communications system has been put into operation. It ensures telegraph and telephone communication and the exchange of television programmes between Afghanistan and the member countries of the intersputnik organization.

The Democratic Republic of Afghanistan is making its first but confident steps along the path of progressive social and economic development.

Speaking about the Soviet Union's relations with the developing states in his address at the June 1983 plenum of the Soviet Communist Party Central Committee, Yuri Andropov, General Secretary of the Communist Party Central Committee and President of the Supreme Soviet of the USSR, said: "striving to overcome economic backwardness, those countries are in need of equitable international cooperation and lasting peace. Many of them regard contacts with socialist countries as a means of strengthening their independence. It is only natural that we should continue to pursue a policy of mutually beneficial cooperation with those states, with full respect for their sovereignty and non-interference in their affairs." These words fully apply to our old friend and good neighbour Afghanistan. (APN)

MORE THAN 120,000 MAPS, PHOTOS PREPARED BY CARTOGRAPHY DEPARTMENT

Kabul KABUL NEW TIMES in English 18 Jul 83 pp 1, 4

[Text]

KABUL, July 18 (Bakhtar)— The General Department of Geodesy and Cartography has published and prepared more than one hundred and twenty thousand maps and aerial photographs of different scales topographical cadastral maps, plans and geodetical materials, physical and political maps, systematic and specialised maps, atlases, photoplans and technical and administrative maps during the year 1361.

The BIA quoting president of the General Department of Geodesy, and Cartography reports that the maps prepared are used for planning and designing of construction projects, the economic development projects including those of irrigation, mines and industries, agriculture and land reform, electric power, communications, city construction, statistics, land and aerial transportation, civil engineering, factories and dams and canals in the country.

The maps and the geodetic maps are very urgently needed for the establishment and utilization of the

survey, and exploration works of the country. Hence the activities of the General Department of Geodesy and Cartography consist of preparing of maps and photomosaics at different scales of engineering works and cadastral surveys and engineering performances of triangulation, levelling, astronomy, gravimetry aerial photos etc.

The president of the department of Geodesy and Cartography said that with the emergence of the new and the evolutionary phase of the Saur Revolution and on the basis of the targets of the party and the revolutionary state much attention has been devoted to the training of the cadres of geodesy and cartography. The Department of Geodesical engineering has been opened in the polytechnic Institute of Kabul and during the current year fifty five students are receiving training there.

During Afghan year 1361 a protocol was signed between the Departments of Geodesy and Cartogra-

phy and the Department of Technical and Vocational Trainings of the Ministry of Higher Education in connection with the revitalisation of cartography technical training school. During the current year sixty students are receiving training in two classes in the field of cartography. In the department of geodetic engineering and cartography facilities are made available for the training of more than fifty persons annually in the various technical fields just mentioned. The protocol just signed between the General Department of Geodesy and Cartography and the Kabul Institute of Polytechnic provides for joint efforts for employing teachers, technical tools and laboratory equipments and materials. Under this protocol two hundred and eighty two engineers will be trained.

Between years 1362 and 1369 in the fields of geodetic engineering, geodesy, astronomy photogrammetry, photography, printing, electrotechnics, mechanics, geophysics and the repairing of technical tools and equipments within the frame work of the Kabul Polytechnic and the friendly country of the USSR.

The president of the Department of Geodesy and Cartography told the BIA reporter that the national atlas of the DRA will be prepared, printed and supplied through the assistances of the

friendly country of Poland in accordance with the protocol that was signed with the Geocart Department of Peoples Republic of Poland in 1959. The friendly country of Poland has extended a grant of five hundred thousand dollars gratis for the supply of this atlas that would consist of eight thousand copies in Dari language and two thousand copies in English language. The General Department of Geodesy and Cartography has prepared and provided ninety five percent of material requirements of the atlas and has delivered the material in four stages to the side of Poland in accordance with the terms of the agreement. The Polish Department of Geocart has established an office for the preparation of the national atlas of the DRA and has begun work on the atlas. As the graphic representation of the work accomplishments that were jointly managed shows the works on the national atlas of DRA shall be completed in Poland at the beginnings of the year 1985.

In conclusion he added that implementation of land reforms constitutes one of the aims of Cadastral survey of the general works of geodesy and cartography. In each operational group of the Democratic Land Reforms there is a team of three officials of cadastral survey who are directly active in evaluating and distributing land in the field.

MACROECONOMIC DEVELOPMENT PLAN SETS HIGH GOALS

Kabul KABUL NEW TIMES in English 19 Jul 83 p 3

[Article by Sayed Murtaza]

[Text]

Before the victory of Saur Revolution the Afghan economy had not achieved any remarkable growth under the five-year development plans. No improvement was attained in the standard of living of people. Likewise, Afghanistan did not experience a structural transformation from a rural backward economy to a substantial change in industrial structure and agricultural production during the plan period. After revolution, Afghanistan has set as its major objective, in the Five Year Plan greater employment opportunities, expanded investment for social and economic development and achievement of equilibrium in the balance of payments. However, considering a marginal propensity for domestic and annual foreign savings during the plan period, Afghanistan has set a target growth rate per annum for the plan. When the target is achieved, GNP will reach a considerable million Afghani which is higher than

the previous plan GNP. Total population with real per capita GNP will increase. Favourable weather conditions, development of new improved seed varieties, rapid growth of textile industry helped the primary sector to grow at a higher rate per annum during the plan period. However, opportunities for substantial improvement in agricultural productivity are still fairly limited and the growth of foreign trade is expected to grow up. Therefore the planned annual growth rate in some sector has been set at a lower per cent. During the Plan period the mining and manufacturing sector grew rapidly, reflecting the rapid expansion in manufactured goods, particularly textiles, to be exported. Since the annual growth rate of exports during the plan period is set at proportionately higher per cent compared to previous plan, the target of annual growth rate for the mining and manufacturing sector is set with other industries are

expected to grow at a higher rate.

Light industries such as textiles, wearing apparel and miscellaneous manufactures will grow significantly. Mining will grow at a fair annual rate annually due to a rapid increase in coal production and the DRA government support for the production of other minerals.

Investment in electricity, transportation, communication, education and health will expand much more rapidly than in the previous plan period, and as a result, social overheads and other services sectors will grow at a higher annual rate. The mining and manufacturing sector will increase its share in GNP while basic metals will increase slightly.

Employment in manufacturing social overheads and other services sectors, which are subject to less seasonal fluctuations and to faster productivity gains, will increase more rapidly than in the previous plan period. As a result of the preferential development of skilled labour in industries, employment in the manufacturing sector will increase annually and will provide thousands of new jobs and its share in total employment will increase. Employment in the social overheads and other services sectors will increase and will provide a greater number of new jobs, but their share in total employment will increase by a little percentage.

The rapidly increasing production of various crops will help increase agricultural employment, providing a net addition of thousands of new jobs in this sector. Its share in total employment will increase substantially. Of expenditures on GNP, consumption will grow at an average annual rate during the plan period. Private consumption will grow annually, approximately at the same rate as before the plan period. Government consumption will increase annually due to the expanded expenditures for education and other social development. The ratio of domestic savings to GNP along with gross investment will increase at an average annual rate. Total exports will grow, while the ratio of total imports will increase at lower percentage.

Price stabilisation is important for increased domestic savings and achievement of equilibrium in the balance of payments. During the new and evolutionary phase of the Saur Revolution the Government of the Democratic Republic of Afghanistan suggested to make through more effective control a better investment financing realisation, consequently the average yearly increase of the whole sale price. This rate was caused, in the short run by some increased import prices. The Government of Democratic Republic of Afghanistan finances subsidies on a number of consumption goods as wheat, sugar,

fertiliser, coal, etc. By this suggestion the Government achieved equilibrium in the balance of payments as well as by deficit financing for subsidies. The government plans stabilised the average annual rate of price increase more effectively.

Thereafter, the price stabilisation policy directions will be pursued in order to establish such a price control mechanism. It is necessary to establish a price control mechanism which will induce a reduction in the price of those products with efficiency gains. This will ensure that relative price adjustments do not increase the general price level.

These positive trends are to be continued in DRA in order to get the country move on the path of economic growth. The average annual growth rate of the money supply for the plan period will be kept at reasonable level to support the planned average GNP growth rate and to keep the rate of inflation per annum.

Specially, money supply expansion origination from the foreign sector will be moderated by maintaining an optimum set foreign asset position. The government of the Democratic Re-

public of Afghanistan established a system of policy instruments that will encourage the development of technology, managerial capabilities and technical manpower, and training. Domestic resources with comparative advantages will be fully utilised and important raw materials will be stockpiled in sufficient quantities to guarantee their uninterrupted supply. Private firms will be encouraged to adopt modern management techniques. Management of public utilities will be improved and rates will be adjusted to reflect full costs.

Improvement of the marketing structure, even though this structure of the nation has improved substantially, will receive more attention and more efforts will be made to improve its complicated small scale marketing channels. For the benefit of consumers, distribution costs will be reduced by integrating small scale channels, organising cooperative facilities and achieving efficient marketing specialisation. At the same time, transportation, storage, loading and unloading facilities will be modernised on a large scale.

DOHA MEETS WITH UN SECRETARY GENERAL IN NEW YORK

Dhaka THE BANGLADESH OBSERVER in English 25 Jun 83 pp 1, 12

[Text] Foreign Minister Shams-ud Doha met with the Secretary General of the United Nations Javier Perez de Cuellar at the UN headquarters here yesterday reports BSS.

Permanent Representative of Bangladesh to the United Nations Lt General Khwaja Wasi uddin Ambassador Farooq Sob han and Brig. Ashraf Hussain accompanied the Minister.

During the hourlong meeting, the Foreign Minister and the Secretary General exchanged views about the ongoing UNC TADVI meeting. They both agreed on the important role UNCTAD VI could play in improving the international economic climate and in nature to resolve the critical nature of the economic situation in the developing countries.

They also discussed a wide range of international issues including the problem of Namibia which the Secretary General emphasised was a matter deserving urgent attention. He referred to the mandate given to him by the Security Council to report back on the problem to the council by August 31. The forthcoming General Assembly session was also discussed.

The Foreign Minister conveyed the greetings of General Ershad to the Secretary General and recalled the CMLA's invitation to him to visit Bangladesh. The Secretary-General reciprocated the greetings and promised to undertake the visit at the earliest opportunity.

Mr. Shamsud Doha also had a meeting with Ambassador Jeane Kirkpatrick Permanent Representative of the United States to the United Nations. They exchanged views on the current international situation.

The Foreign Minister is in New York on way back home following his visit to Washington.

CSO: 4600/1341

ERSHAD GREETES PRC LEADER ON ELECTION

Dhaka THE BANGLADESH TIMES in English 20 Jun 83 pp 1, 8

[Text] Chief Martial Law Administrator Lt. Gen. H. M. Ershad, has sent a message of felicitations to Chinese leader Li Xiannian on his election as the President of the People's Republic, reports BSS.

Following is the text. "On behalf of the Government and the people of Bangladesh as well as on my own behalf, I have great pleasure in extending to Your Excellency our warmest greeting and heartiest felicitations on your election to the high office of the President of the People's Republic of China.

"It is my firm conviction that the great Chinese people will continue their onward march towards progress and prosperity at home and make positive and significant contributions to the cause of preservation and promotion of peace and security in the world.

"As close neighbours, Bangladesh and China are bound by centuries-old historic and cultural ties. Our shared outlook and common aspiration have greatly contributed towards the development of relations between our two countries both in depth and dimension. It is my firm and cherished hope that the deep and abiding friendship, mutual understanding the fruitful cooperation which so happily characterise the relations between our two countries will be further widened and deepened in the years to come.

"I avail myself of this opportunity to convey to Your Excellency my sincere good wishes for your health, happiness and long life as well as for every success in your high office.

"Please accept, Excellency, the assurances of my highest considerations and personal esteem."

Zhao Ziyang

Another message says: Chief Martial Law Administrator Lt Gen. H. M. Ershad on Sunday congratulated Chinese Premier Zhao Ziyang on his re-election and offered "warmest greetings and heartiest felicitations" on his re-appointment to the high office

In a message of felicitations Gen. Ershad expressed his sincere hope that the close bonds of friendship, mutual understanding and fruitful cooperation which so happily characterise the relations between our two countries will further grow in strength and substance in the years to come.

Following is the text of the message: On behalf of the Government and the people of the People's Republic of Bangladesh as well as on my own behalf, I have great pleasure in extending to Your Excellency our warmest greetings and heartiest felicitations on your re-election to the high office of the Premier of the State Council of the People's Republic of China.

"Your reelection to this high office is a profound demonstration of the Chinese people's great confidence in Your Excellency. I am confident that the friendly people of China will, as always, continue to march forward towards progress and prosperity at home and make positive and significant contributions to the cause of preservation and promotion of peace and security for man kind.

"I take this opportunity to express my sincere hope that the close bonds of friendship, mutual understanding and fruitful cooperation which so happily characterise the relations between our two countries will further grow in strength and substance in the years to come.

"On this happy occasion of" your reelection, I extend to Your Excellency my sincere good wishes for your good health, happiness and long life as well as for your renewed success in this high office.

"Please accept, Excellency, the assurances of my highest considerations and personal esteem."

Ahsan

President Ahsanuddin Chowdhury has also sent message of felicitations to Mr Li Xiannian, on his election as the President of the People's Republic of China.

Following is the text: "Please accept, Excellency my warmest greetings and felicitations on your election to the high office of the President of the People's Republic of China.

"While wishing Your Excellency all success in your high office, I express my sincere hope that the very close ties of friendship, mutual understanding and co-operation which so happily characterise the relations between Bangladesh and China will grow from strength to strength in the years to come to the mutual benefit of our two countries and two peoples.

"I take this opportunity to convey my best wishes for Your Excellency's good health happiness and long life as well as for the continued peace, progress and prosperity of the friendly people of China.

"Please accept, Excellency the assurances of my highest considerations and personal esteem.

LOCAL AFFAIRS MINISTER TELLS ELECTION PLANS

Dhaka THE BANGLADESH OBSERVER in English 25 Jun 83 pp 1, 12

[Text] Preparations are afoot to hold election to the local bodies--Union Council Thana Parishad and District Council--in the first quarter of next year, the Minister for Local Government and Religious Affairs Mr. Mahbubur Rahman said in Dhaka on Friday.

The election to the Union Parishad and Municipalities will be the first to be held and that of thana and district will follow with upgradation of thana completed before current year runs out, the Minister told BSS in an interview.

The Minister pointed out the election to local bodies would be the beginning of introduction of responsible democratic institutions at the grass-root level. The election to the National Parliament is likely to be held in winter next if everything goes well and according to schedule.

The Minister expects the election to the District Council to take place in March next but it would be dependent on final decision to be taken by the Government and framing of necessary laws.

He said the CMLA Lt. Gen. H. M. Ershad is also keen to hold elections to Jatiyo Sangsad in the next winter if everything following those of local bodies goes well. Gen. Ershad is keen for introduction of an effective and responsible Government, he added.

Mr. Rahman said Government had given top priority to the sector of rural development. Out of total Taka 3,483.83 crore Taka 338.3 crore would be spent for building thana infrastructure under the annual development programme 1983-84.

Allocation of Taka 50 lakh for the upgraded thans and Taka 30 lakh for all non-upgraded thanas, he added, would be made in the coming budget as additional sanction for other development activities to be jointly planned, and executed by the thana administration and thana parishad. He said the improvement of the standard of life of the rural people through accelerated agricultural production, rapid generation of income and employment and development of human resources, reduction of inequalities disparity and poverty is the prime objective of the Government of General Ershad, he said.

For the first time, such huge funds are going to be spent locally at thana level under local leadership, and supervision, with people's participation, with people's participation he added. He hoped that this would ensure greater participation of the people in planning and development activities.

Mr. Rahman said there will also be programme for rural development with the assistance from Sweden, Denmark, Norway and the World Bank

The donor countries and financial institutions are by now more interested to participate in the rural development activities for the pragmatic and realistic policies and approaches of the government, he said.

The World Bank has recently signed an agreement with the government for development in 13 thanas.

He said in the near future government would nominate one male and three female members to the Thana Parishad under the relevant ordinance. All the chairmen of Union Parishads are already in the Thana Parishad as ex-officio representative member.

CSO: 4600/1341

OFFICIALS DISMISSED FOR REMAINING ABROAD

Dhaka THE NEW NATION in English 23 Jun 83 pp 1, 8

[Excerpt] The government has terminated under MLO-9 services of 125 officers who have been illegally overstaying abroad for more than one year of their stipulated deputation or training period, an official handout said here last-night, reports BSS.

These officers by staying away from their jobs with lien kept in their respective organisations were not only depriving the nation of their services but at the same time blocking the way to promotion of their juniors.

The Government servants of various categories went abroad from time to time on employment, deputation or for training or studies abroad. The government selected these officers with the purposes of allowing them to gain experience, obtain training and gather knowledge so that on their return home after completion of their stipulated period of deputation or training, they could render better and more useful service to the people with greater zeal and patriotism.

The handout said but it was very unfortunate that most of the officers who went abroad stayed back illegally beyond their period of deputation or training without obtaining [government] approval. This has not only caused considerable degree of brain-drain from the country, but has also caused undue expenditure of the public exchequer, apart from the nation having been deprived of their valuable services. It seems that these officers have chosen to benefit themselves solely leaving aside the greater interest of the country at a time when the country needed their services most.

The Government could hardly ignore this and allow this state of affair to continue indefinitely. Apart from terminating services of the officers overstaying abroad, the Government has also formulated a set of guidelines and adopted some measures to ensure return of officers being sent abroad on deputation or training.

CSO: 4600/1338

CULTURAL ACCORD WITH CZECHOSLOVAKIA REPORTED

Dhaka THE NEW NATION in English 24 Jun 83 p 8

[Text]

A programme of cultural and academic exchanges between Bangladesh and Czechoslovakia for the years 1983 and 1984 was signed here yesterday under the existing cultural agreement between the two countries, says a PID handout.

According to the provisions of the programme, the two Governments will encourage co-operation and exchange of delegation in the field of basic scientific and technological research. The Czechoslovak Government will offer scholarship in the field of higher education. Both the Governments will agree to exchange the visit of pedagogists and publication of

pedagogic nature and special materials. The two Governments will also agree to exchange the visits of cultural delegation and of experts in the field of culture, archeology and museum. Both sides will also agree to exchange experience and experts in the field of film, radio and television and sports.

Mr Manzur Murshed, Secretary, Sports & Culture Division, Government of the People's Republic of Bangladesh and H E Mr Alexandar Venglar, the Czechoslovak Ambassador to Bangladesh signed the bi annual cultural and academic exchanges programme on behalf of their respective Governments.

CSO: 4600/1340

REPORTS ON GANGES PROJECT OFFICE CAUSE CONCERN

Office Reported Closed

Dhaka THE NEW NATION in English 20 Jun 83 pp 1, 8

[Text] PABNA, June 19--Ganges Barrage Project office at Baherchar at Bheramara has been closed down and all the staff of the project including Superintending Engineer have been asked to shift to Bhola in Barisal district.

This decision has caused resentment among the people of northern and southern regions including leaders of various political parties.

It was learnt the office of Ganges Barrage Project was closed down as per direction of Deputy Secretary (Admn) of the project.

Ganges Barrage Project was taken up in 1961 at a few miles downstream of Hardinge Bridge with the objective of preservation of water in rainy season for irrigation in over 42 lakh 50 thousand acres of lands in seven districts, namely, Rajshahi, Pabna, Kushtia, Faridpur, Jessore, Khulna and Barisal. The proposed barrage was also designed to maintain control of water level of Gangetic belts in all seasons for the lack of which ground water level of, the areas particularly Kushtia, Rajshahi and Pabna districts recorded an all time low in lean season seriously hampering irrigation by shallow and deep tubewells.

If no headway is made in respect of the proposed barrage entire northern and southern regions will be permanently under fatal blows of Farakka Barrage.

Government Denies Report

Dhaka THE BANGLADESH OBSERVER in English 23 Jun 83 p 12

[Text] The Government Wednesday night said the fear that the work on the Ganges Barrage project will hamper due to the shifting of the superintending Engineer's Office of Kushtia to Bhola, was misleading and baseless; reports BSS.

An official handout said attention of the Government has been drawn to a news item published in a section of the Press under the headline 'sudden closure of

the Ganges Barrage Project office'. There is scope for creating misgivings in the minds of the people due to factual discrepancies in the report the handout added.

Clarifying the actual position the handout said there is 1 Chief Engineer's office and an office of the Director of design in Dhaka and a divisional office and a Superintending Engineer's Office in Kushtia under the Bangladesh Water Development Board for implementation of the Ganges Barrage Project.

Of the four offices the Superintending Engineer's Office in Kushtia has been shifted to Bhola Irrigation Directorate in view of the present sanction and for proper implementation of the work. As a result implementation of the Bhola Irrigation Project will be expedited. But the work on the Ganges Barrage project will by no means hamper the handout said.

The other three offices are working in a well coordinated manner for the implementation of the Ganges project the handout further said.

CSO: 4600/1337

WRITER TRACES DEVELOPMENTS IN AWAMI LEAGUE

Dhaka HOLIDAY in English 25 Jun 83 pp 1, 8

[Article by N. M. Harun]

[Text] The recent developments in the Awami League (Hasina) and the Jatiya Samajtantric Dal (JSD) indicate that Sheikh Hasina Wajid is consolidating her leadership in her party and that the JSD is threatened with disintegration.

The Awami League made an unprecedented move in settling a 5-year old dispute in the student wing of the party. It accorded formal recognition to the Jalal-Jahangir faction of the Student League at the insistence of Sheikh Hasina. Party General Secretary Abdur Razzak and his so-called pristine Baksal-followers had had to swallow a fateful defeat in the ouster of the Fazlu-Mukul faction of the Student League.

Sheikh Hasina demonstrated her ruthlessness as leader and the ever-accommodating Razzak exposed his vulnerability. The affair signalled unquestioned ascendancy of Sheikh Hasina in Awami League leadership and with this may be, a new turn in the politics of the party.

Sheikh Mujib forced the Awami League (along with many other parties) to find its 'nirvana' (ultimate salvation) in his Bangladesh Kirshak-Sramik Awami League (Baksal). The resurrected Awami League has nevertheless been claiming its legitimacy from Sheikh Mujib and his Baksal.

But the present-day traditional Awami League leaders had forfeited the claim to political legitimacy of Sheikh Mujib by their disgraceful behaviour in the wake of the fall of Sheikh Mujib and his Baksal. The post-Baksal Awami League has remained for all practical purposes a 'wafq' (trust) estate in the name of Sheikh Mujib.

And the Awami League ultimately found its best 'motwalli' (custodian) under the circumstances in Sheikh Hasina. Her legitimacy by birth is apparently an undisputed passport to Mujib-based politics.

Baksal Paralysis

Since its resurrection, the Awami League has remained politically paralysed. And the worst victim of this malaise is Abdur Razzak.

The Awami League was the party of the rising bourgeoisie of the then East Pakistan. Mouthing the slogan of socialism, it turned to state capitalism in 1972; and the Baksal formation was the high point of the party's development in the line of state capitalism under the stewardship of Sheikh Mujib.

In the resurrected Awami League, a powerful group has been trying to present Baksal philosophy and program as socialism. In its struggle against the traditional democratic inclination of the party, this group made marriages of convenience with old-guards like Malek Ukil and new aspirants to leadership like Zohra Tajuddin and Abdus Samad Azad, and failed all of them. This group also created factions in the Students League and the Sramik League.

Abdur Razzak was at the centre of this move. From 1978 to 1981, when Sheikh Hasina was inducted in Awami League leadership by a formal proposal of Razzak, he was practically in full control of the party. The party leadership has by now passed over to Sheikh Hasina.

Accepting the defeat in the factional fight in the student wing of the party, Razzak has served a notice to his followers that notwithstanding his Baksal factionalism, he is primarily an Awami League leader.

The predicament of Razzak epitomises the crisis of current politics of the Awami League: Baksal and Awami League do not go together.

Options

Sheikh Hasina has now two options. She may continue the Awami-Baksal politics with a new vigour in a bid to out-Mujib Razzak. In that case, the Awami League will continue to stagnate and decompose in the backwaters of Baksal as it has been doing since its resurrection in 1977.

Or, she may try to adapt Sheikh Mujib's politics in the new context of post-1975 Bangladesh as her father had adapted Suhrawardy's politics in the 1960s. Had Sheikh Mujib clung to Suhrawardy's claim that the then East Pakistan had achieved 98 percent of autonomy, the Awami League would have died with the death of Suhrawardy.

Sheikh Hasina, however, may eventually face the fate of Razzak in the Byzantine intrigue of Awami League leadership unless she takes precaution. If she allows herself to become a victim of factionalism or if she fails to practise democracy in the policy-making process of the party, she may find herself in difficulties.

Theoretical Crisis

The JSD is threatened with disintegration because of theoretical crisis of the party. A caucus, which claimed to have adhered to "scientific socialism," launched the JSD.

A petit bourgeois party, JSD, could not naturally practise "scientific socialism." What happened from the inception of the party in 1972 to 1975, were a series of adventures attempted putsches and insurrections.

When the party who revived in 1977, the caucus faced problems with its theory of revolution. The main faction, headed by their leading theoretician Sirajul Alam Khan, opted for "a parliament with professional representation." The JSD split in 1979 and the breakaway group formed the Bangladesher Samajtantric Dal (BSD).

But the caucus, which is still working inside the JSD, was not unanimous on its new theory, Sirajul Alam Khan was challenged by Marshal Moni, A. B. M. Shahjahan; Kazi Arif Ahmed, Hasanul Huq Inu and Sharif Nurul Ambia.

This crisis in theory was further accentuated by leadership problem in the JSD. Party president Major (retired) M. A. Jalil came under heavy pressure to quit his post.

While Sirajul Alam Khan apparently withdrew from factional politics by tendering his resignation from the central committees of the ISD and the labour and peasant wings of the party his challengers in the caucus gave support to Jalil.

The recent detonation of crisis in the JSD took the shape of ugly mutual accusation of the leaders. This may now stop because the rival groups apparently chose the tactics of mutual assured destruction (MAD).

But whether the party will survive as a viable mass organisation is still doubtful. The JSD leaders face the challenge of finding a workable politics for their party.

CSO: 4600/1342

PROGRESS IN ANNUAL DEVELOPMENT PLAN UNSATISFACTORY

Dhaka HOLIDAY in English 25 Jun 83 p 3

[Text] With actual physical progress lagging much behind the projected targets under the annual development program (ADP) for the year that closes on June 30, another phase of belt-tightening operation would begin afresh perhaps with new promises of recovery and growth for 1983-84.

The promises and projections with whatever relevance these may have to the slack economic realities facing the common man will, however, clearly be at odds with hard facts of development performance under public sector spending program. Despite the claims about simplified procedure for release of funds and revamping of administrative and financial arrangements for execution and implementation of development projects, the targets under ADP for 1982-83 for completing about 200 projects has remained now unfulfilled. The allocation of 53 percent of ADP funds for directly-productive sectors has neither succeeded in raising the development potentials of the economy much at the end of the year.

The overall growth process has trailed much behind the target. With new private investments not coming up even half way near the original projection of Taka 14 billion, the GDP, according to the latest official estimate, will grow by less than four percent in 1982-83 as against the target of 6 percent.

The benefits of this modest rate of GDP growth will certainly not percolate to the common people even in any marginal way as the year-end statistics, compiled in an objective way, will surely reveal further erosion of real income earnings for the industrial workers and the agricultural wage-laborers.

Against this backdrop, the new ADP for 1983-84 has recently been approved by the national economic council (NEC) with an overall financial outlay of taka 34.83 billion, up by taka 3.57 billion over the revised ADP of Tk 31.26 billion for 1982-83.

For each one taka worth of project assistance in the form of foreign exchange, taka 1.32 in local currency will now have to be realised as matching resources to realise the financial targets of the ADP for 1982-83. And, it is here in the mobilization of local resources, i.e., taka component that the country has been facing its perennial problem in development project implementation.

The taka component element in the development spending program is not of course entirely the country's own contribution from its domestic savings. On the other hand, quite a substantial amount of taka resources come from commodity assistance which generates counterpart funds. Strictly speaking, the government's own revenue collections also depend on the overall performance of import and productive sectors of the economy where external assistance provides the main grease.

The belt-tightening operation under the fiscal arrangement has in this context assumed more importance over the recent years in view of construction in commodity aid-flows. The conditionality clauses of IMF and other multilateral agencies which insist on their strict enforcement in the course of balance-of-payments and other assistance programs has further necessitated such an operation to be maintained continuously on a high-scale.

But, the extreme poverty in Bangladesh, its disaster-prone economy, inflationary phenomena and steady increase in current expenditures of the government have continued to act as critical constraints to mobilization of much of domestic savings for development financing through the belt-tightening operation. The net domestic savings as percentage of GDP remains thus at very low levels.

As for the new promises under the ADP for 1983-84, it is projected that the country's gross domestic product will increase by six percent. The investment and sectoral allocation pattern under it has been drawn more or less along the lines of the last year. The government has meanwhile piously hoped that what could not be achieved in 1982-83 would be fulfilled during the forthcoming year.

CSO: 4600/1342

EXPORT PROMOTION COUNCIL SETS TARGETS

Dhaka THE BANGLADESH TIMES in English 20 Jun 83 pp 1, 8

[Text] The export target for the year 1983-84 has been projected at Tk. 1816 crore, which is Tk. 266 crore more than the previous year's target of Tk. 1550 crore.

The export proposals were tabled at the eight meeting on Export Promotion Council held on Sunday at Hotel Intercontinental. The meeting discussed and reviewed the export performance of 1982-83 and the new export proposals. Mr S. M. Shafiul Azam, Minister for Industries and Commerce and Chairman of the Export Promotion Council presided over the meeting.

--According to the latest information which was circulated at the meeting, export earning stood at Tk. 1478 crore from July, 1982 to May, 1983. It was expected that the export target of Tk. 1550 crore set for the year would be surpassed when the earning during June would be calculated

However, Mr Shafiul Azam told the exporters that although the performance during the year was satisfactory, there was no room for complacency. The rising trend in the export flows should be sustained by maintaining and expanding the markets, he said

The Industries and Commerce Minister said that there had been some improvement in the exports in certain items. But, at the same time, there had been negative performance in certain items including leather, handicraft and agriculture products, in spite of the fact that lot of incentives were given to these products to boost export.

Mr Shafiul Azam said that the Government would continue to extent incentives to the exporters in order to increase export earnings. He pointed out to the increasing import bills which put the country in difficult situation, and said that it could be improved by increasing exports

The export earnings during the first ten months of the current fiscal year (July, 1982 to April, 83) were far ahead of the export earnings for the comparable period in the previous year, by 30.05 per cent in Taka and 8.99 per cent in dollar terms. In spite of the world recession, Bangladesh's exports maintained an upward trend for the period amounting to Tk. 1323 crore as

against an earning of 101.7 crore for July 1981--April 1982 period. The actual exports during July 1981 to May, 1982 was Tk. 1150.61 crore while the earning was 1478.20 crore during July, 1982 to May 1983, according to the working paper on export policy--1983-84 circulated at the Export Promotion Council meeting.

It said that in the context of the current balance of payments deficit and the important place export earnings occupied in the economy of the country. This recording of a positive growth for the first time since the beginning of world-wide recession was particularly encouraging.

The estimated export earnings for the year 1982-83 indicated that earnings from raw jute would amount to Tk. 257 crore, registering an increase of Tk. 13 crore over the targetted figures of Tk. 244 crore. Earnings from jute goods were estimated to bring in Tk. 718 crore which would be less than the target of Tk. 731 crore.

Among the non-jute items, leather exports had been affected by a weak market and a feeling of uncertainty. The export projection for this product for the year amounted to Tk. 121 crore as against targetted amount of Tk. 130 crore.

However, frozen food exports were estimated to earn a record of Tk. 150 crore against a target of Tk. 108 crore. It made frozen food the biggest non-traditional export item, with a projected export volume of 24 million pounds against a target of 20 million pounds.

Tea, including packeted tea, is expected to have a record performance with a projected export proceeds of Tk. 118 crore representing an increase of about 44 per cent over the target of Tk. 82 crore. Export earnings from naph=tha, furnace oil, bitumen were expected to equal the targetted amount of Tk. 75 crore, while indications were there that paper, newsprint and allied product exports would be below the target by Tk. 20 crore. Another product that would fall below the target of Tk. 50 crore by nearly 50 per cent, could be ready-made garments which was projected to earn about Tk. 25 crore.

Of the export target of Tk. 1816 crore proposed for next year, jute sector was expected to earn Tk. 1131 crore while the non-jute sector would provide Tk. 685 crore. The manufactured products would account for Tk. 1220 crore while the primary products were targetted to fetch Tk. 594 crore.

Senior Government officials, exporters and representatives of different chambers of commerce and industry attended the meeting.

CSO: 4600/1335

BRIEFS

NEW INDONESIAN AMBASSADOR--The new Ambassador of Indonesia to Bangladesh Mr Rachmat Sukartiko presented his credentials to the President Mr. Justice Ahsanuddin Chowdhury at the Bangabhaban in Dhaka on Thursday morning, says a PID handout. Presenting his credentials the envoy said that he would endeavour his best to promote further the existing ties of friendship and understanding between his country and Bangladesh to the mutual benefit of both the nations. The President reciprocated the sentiments expressed by the envoy and hoped that the existing bilateral friendship and cooperation that bind the people of both the countries would gain in strength in future. He appreciated the progress Indonesia is making in developing her national economy and wished continued peace, progress and prosperity of the fraternal people of Indonesia. The President assured the envoy of all possible cooperation and support in the discharge of his duties and responsibilities during his term of stay in Bangladesh. Earlier on arrival at the Bangabhaban, the envoy took the salute presented by a smartly turned-out contingent of the President's Guard Regiment. [Dhaka THE BANGLADESH OBSERVER in English 17 Jun 83 p 8]

TIES WITH PAPUA NEW GUINEA--With a view to strengthening the existing friendly relations and promoting cooperation between their respective countries and peoples on the basis of the principles of mutual respect for independence sovereignty, non interference in each other's internal affairs equality and reciprocal advantage the Government of the People's Republic of Bangladesh and the Government of Papua New Guinea have decided to establish diplomatic relations at the Ambassadorial level from June 20 1983, says a PID handout. The Government of the People's Republic of Bangladesh has decided to concurrently accredit Mr Harun ur Rashid its High Commissioner to Australia as High Commissioner to Papua New Guinea with residence in Canberra. [Dhaka THE BANGLADESH OBSERVER in English 21 Jun 83 p 1]

NEW GDR ENVOY--Mr Lothar Nestler has been appointed ambassador of German Democratic Republic to Bangladesh it was officially announced in Dhaka Monday night says BSS. Prior to his present posting Mr Nestler was a head of section in the German Democratic Republic Ministry of Foreign Affairs He is married and has three children. [Dhaka THE BANGLADESH OBSERVER in English 21 Jun 83 p 3]

TIES WITH BOTSWANA--Bangladesh and Botswana have decided to establish diplomatic relations between them at the level of High Commissioner, says a PID handout. The Government of Bangladesh has also decided to concurrently accredit Mr. Saber Reza Karim, its High Commissioner to Zimbabwe, as High Commissioner to Botswana with residence in Harare. [Dhaka THE BANGLADESH OBSERVER in English 24 Jun 83 p 1]

IRAN

IRANIAN ENVOY DISCUSSES RELATIONS WITH USSR, FRANCE

GF011518 Karachi NAWA-E WAQT in Urdu 26 Jul 83 International Edition p 1

[Text] Lahore, 25 Jul (PPA)—The Iranian consul general in Lahore, Mr Naqmi [name as published], has revealed that the Soviet diplomats, who had been expelled from Iran some time back, were plotting against the Islamic revolution in order to seize power.

Addressing a press conference here, he said that on 4 May, the Iranian Government declared 18 Soviet diplomats as personae non grata and requested them to leave the country within 24 hours, and simultaneously imposed restrictions on the pro-Moscow Tudeh Party. He said that some Syrians involved in the plot were also arrested.

In answer to a question, he rejected the possibility of any improvement in diplomatic ties with France in the near future. He added: The Islamic government has firm faith in God, in Islam and considers it its duty to thwart aggressors. He vehemently denied any Iranian involvement in the explosions in the French consulates in Karachi and Lahore and said that the Iranian students arrested in this connection have been released.

Mr Naqmi said: Our country is strongly opposed to terrorism and whenever such events take place, Iran is needlessly blamed. Regarding the Iranian-Iraqi war, he said: Our country would welcome any proposal in consonance with Iran's terms and conditions which it is not willing to waive under any circumstances. When these conditions are met, the war will stop immediately. He said we are willing to exchange [word indistinct] with Iraq on a one-to-one basis. When asked whether the former shah's family will be allowed to return to Iran, he said: We do not wish to bring the United States back into our country. Every cent of the nation's wealth plundered by the former shah will be gotten back. Regarding Iran's latest offensive against Iraq, he said: About 3,200 Iraqis have been killed or wounded and 150 have been captured. Two Iraqi planes, 3 helicopters, and 45 military vehicles have been destroyed whereas, Iranian losses have been minimal. The Iranian Army has retaken many military bases as well as 10 Iranian villages from Iraq and has advanced 10 miles into Iraq.

CSO: 4656/233

FRANCE INTERESTED IN ENDING GULF WAR FOR ECONOMIC REASONS

London AL-DUSTUR in Arabic No 292, 27 Jun 83 pp 31-32

[Article by Islami al-Husni: "French Desire for a Speedy Conclusion of the Iraqi-Iranian War is Based on Economic Interests Vis-a-vis Iran"]

[Text] Statements made by French Foreign Minister Claude Cheysson to the French press and after the industrial nations' summit show that the French ministry of external relations is particularly concerned with the progression of the Iraqi-Iranian war and with the need to stop it and for both sides to begin direct negotiations to end the struggle. Cheysson asserted in all his recent statements and even in the corridors of the summit meeting in Strassbourg last week that Iran must not delude itself that it can win a military victory over Iraq and that Tehran should incline to peace and recognize the reality that Khomeyni's announced and unannounced goals in the Gulf region are impossible of realization.

The fact is France's interest in developments in the Gulf war--nothing new for French policy either in Giscard d'Estaing's or Mitterrand's time--is based on two important considerations. One is the recent Iranian activity vis-a-vis Western Europe after the easy suppression of the Tudeh Party disturbed Iranian-Soviet relations, at least in their external dimensions. The other is related to France's specific policy in the Middle East in general and in the Gulf region in particular.

With respect to Iran, the French have several indications that Tehran, at a time when internal conflicts have not been settled and some of the Khatt ol-Eslam group put France at the head of its enemies list, is secretly trying to improve its relations with the Western and particularly European powers. These efforts have even reached Paris, seeking to improve European-Iranian relations and claiming there is no reason for relations to continue (as they are) and that Iran is moving toward "stability," which includes guaranteeing the European trading partners a renewal of trade relations in full confidence and without any risks.

However, economic circles showed no enthusiasm for the Iranian bid and consultations among the European countries on the subject and what was done at the industrial nations' summit and European summit did not lead to any decision. Wariness in cooperating with the current Iranian regime continues, particularly in France because it clearly stands on Iraq's side and shelters

on its soil leaders of the Iranian resistance of all kinds from royalists to Mojahediye Khalq. This peculiar situation is what made those who are working within the ruling establishment in Tehran for an Iranian-European rapprochement attach greater importance to France in order to convince their adversaries inside the regime that the opening up to the West should begin with France to demand the return of Bani Sadr, Rajavi, and others and to distance France from Iraq. However, the French look upon these efforts not as efforts of the entire Iranian regime but as attempts by one faction that wants to exploit new foreign alliances against its adversaries, the Khatt ol-Emam group. The French cite as evidence of this the struggle going on within the Iranian embassy in Paris between Musavi and a relative of Khomeyni who urges the use of force against the opponents.

As part of this approach to the opening to the West, Iran recently bought advertising space in some European magazines and periodicals to enhance Iran's image under the Khomeyni regime and refute charges of executions, arrests, and crises. Thus Iran, according to these advertisements, is "stable" and capable of regaining the confidence of those who intend to do business with it.

In addition to advertising, the Iranian authorities leased a new cultural center on the most important street of Paris and gave it the task of "improving Iran's reputation with the public" in expectation of the door opening to the resumption of diplomatic and trade relations instead of the assignment of using force with which the old Iranian center is still charged. It may be no accident that the Iranian efforts, especially those involving France and the establishment of a special Iranian center, began at the same time that Israeli-French relations became more active with the recent signing of the protocol of a trade agreement.

Earlier on Paris imposed as a condition for the resumption of trade relations with Israel that its troops leave Lebanon at the same time that Iran was eager for Paris to agree to the resumption of diplomatic relations as soon as Tehran agreed to drop its demand for the extradition of Bani Sadr and Mas'ud Ragavi, for example, or officially apologize for not accepting the French ambassador when France visited its ambassador to return to Tehran and Rafsanjani waved a veto in his face.

However, the French have a different opinion on the normalization of relations with Iran. According to French foreign ministry sources, France is eager in principle to maintain diplomatic relations with everyone, but as far as Iran is concerned, it is still not convinced of Tehran's seriousness in wanting to establish diplomatic relations based on mutual respect. Nor does it believe that Iran today is ready to respect international law and diplomatic conventions or is disourous of world peace. All these factors are harmful to France's interests and deeply affect its reputation. But if Iran is now aware of the right course and is prepared to live with others on the basis of mutual respect, the best proof and most important indicator of such readiness is a willingness to end the war with Iraq and start direct negotiations for this purpose. Observers believe Cheysson reflected this approach in his recent statements but did not openly impose the

condition he conveyed to Tehran that the resumption of relations requires ending the war and agreeing to negotiations. The reason is that efforts are still under way. On the one hand, Iran offers its markets and remains quiet about its adversaries obtaining asylum in France and, on the other hand, France stipulates an end to the Gulf War in order to prove Iran's willingness to abide by diplomatic conventions.

But why does France insist on the need to end the Gulf war and make that a condition for resuming normal relations with Iran?

The second thing--this is what makes France so concerned with the need to end the Gulf war--appears in France's Middle East policy. It is a policy that aims primarily at protecting French interests and demonstrating initiative in an environment where the two giants are competing for spheres of influence. French Middle East policy planners think the struggle between the two superpowers has ceased to be a struggle threatening a military confrontation and is being transferred into representative infrastructure in the social structures.

Whereas the Soviet Union still believes the means of defeating its enemies is by the use of limited force as in Afghanistan or some African countries, the United States is trying to create a band around the communist world that consists of a mixture of religious, sectarian, and regional appeals that will push back the communist tide to the spheres of American influence. The United States uses this weapon to defend and entrench itself in the Middle East and to attack in Eastern Europe as in Poland, Afghanistan, and Southeast Asia. In the Middle East, the United States approach relies for the midterm (and coincides in this respect with Israeli strategy for the next 10 years) on creating scattered, petrified religious and sectarian ministates lacking in the spirit of nationalism that forms a constant source of resistance to foreigners and Western forms. Moreover, these Balkanized ministates will deprive the peoples of the region of a defensive power that is in the hand of the strongest of them, that is, Israel. This Balkanization will also envelope the region in a kind of homogeneity so that they will all become pretty religious and sectarian states like Israel and not the reverse.

Small wars, sometimes civil and at other times border wars, broke out to bring about this Caesarian birth. Khomeyni came to power because the Shah was no longer suited to the stage (of history). Turkey began to fear some of its religious minorities, and the idea of Druze, Christian, Shi'i and Sunni states has come to the surface. The right of self-determination has become the preferred slogan of radical religious groups.

Because such Balkanization requires centers, pockets, and sites, some of them fortified while others refuse to be confined to a particular area, bloody outbreaks occurred here and there. Everyone noticed that two obstacles were in the way: Iraq and the Palestinian resistance. Therefore, all the current Middle Eastern wars, and perhaps future ones too, will apparently aim only at ending the role of Iraq, which Khomeyni did not succeed in doing, and at breaking up the Palestinian resistance into mutually antagonistic

organizations and other groups loyal to a party sharing in the Balkanization. Consequently, the crux of the struggle is in reality simply the aggressive war launched by the Iranian regime against Iraq and the undeclared war launched by numerous parties, some of them in the name of the armed struggle and others in the name of the "terrorist" resistance against the Palestinian resistance.

If Iraq's role ends and the Palestinian resistance is wiped out, Balkanization will be achieved. But if Iraq triumphs and the resistance survives, the Balkanization plan will be aborted.

However, dividing up the region from the Gulf to the Mediterranean into small sectarian ministates means that France will have no role to play in the face of an extension of the American umbrella.

That is why the French imposed as a condition for the establishment of trade relations with Israel that it withdraw from Lebanon and made the normalization of relations with Iran conditional on its ending the war against Iraq and making an effort to mediate the internal crisis of the PLO.

For the same reason the French continue to support Iraq. Cheysson states that Iran will not defeat Iraq because any objective achieved in the war will represent a new dimension in the Balkanization of the region and, consequently, a fresh division. For this reason, too, many commentators close to French official circles say the Middle East is threatened with a new Yalta, which will be an American victory because in recent years the Soviet Union understood only direct armed interventions due to its technological weakness and inadequacy of its ideological confrontation. Will Iran agree to halt the war against Iraq? Will Syria agree to refrain from splitting the ranks of the resistance? Will Qadhdhafi refrain from instigating the Palestinians to fight with one another and involving Libyan troops in the fighting, troops Qadhdhafi did not send to break the blockade of Beirut?

This is the question!

5214

CSO: 4604/31

STUDENTS FROM ABROAD VISIT MONTAZERI IN QOM

London AL-DUSTUR in Arabic No 392, 4 Jul 80 pp 26-27

[Article by Dr 'Ali Nurizadeh: "Difference in Conditions Before and After Khomeyni Came to Power"]

[Text] Last Friday Montazeri, a possible successor to Khomeyni, met with a group of Iranian students attending European and American universities who returned to Iran for a visit during their summer vacation.

The visit took place in Montazeri's home in Qom as a result of pressure and threats by the Ministry of Islamic Guidance which forced them to choose between making the visit and having their passports revoked and thus being unable to return to their universities in Europe and the United States.

The students arrived in Qom at 4 pm and were immediately taken to the home of Montazeri who came to welcome them a few minutes after their arrival. He began by asking their names and the degrees they earned. The first one said his name was Mahmud Hoseyni and had a CDE. The second said his name was Ahmad Rezavi and had a Masters in Philosophy from Harvard University.

The third introduced himself, then the fourth and fifth. When the sixth rose to say that his name was Mansur Karimi and that he received PhD in law from a French university, Montazeri began to weep: "My son Mohammed, where are you now?"

The students were astonished and one of them asked Montazeri why he was crying. He answered: "Forgive me, but you remind me of my son Mohammed, for he had a BMW before he died!"

The visitors discovered that Ayatollah Montazeri meant by BMW the German automobile of that name!

We relate this incident exactly as it happened and without exaggeration according to the account of an individual who was present at the meeting between the students and Montazeri in Qom.

This is one of many such incidents which reveal to us the condition of the Iranian people under the rule of a group of mullahs like Montazeri who do

not know the difference between a PhD and a BMW. Even now they boast of Iran's achievements under their leadership.

In all fairness, we must say that an industry which has thrived in Iran is the manufacture of coffins and building of cemeteries. Other "finishing" industries are also flourishing under Khomeyni. The ayatollahs likewise invested new ways of executing, killing and torturing people.

In order to learn what has happened in Iran during the last 4 years in industry, agriculture and social fields under the leadership of the lies of Montazeri, we must return to the past.

A year before Khomeyni came to power, Iran was on the road to prosperity and likely to become the largest industrial country in Asia after Japan.

In the field of automobile manufacture, Iran had reached the point where it was able to export 20,000 Peykan, Zhian and Chevrolet Irans to the neighboring countries. It also exported thousands of trucks to Arab and Islamic countries.

The situation was excellent in other industries such as steel, aluminum, and electrical and electronic appliances.

As for nuclear power, three reactors were completed in 1976.

The construction of the Middle East's largest naval base situated in the region of Chah Bahar, Baluchistan, was nearing completion.

Iran had \$37 billion in hard currency plus \$14 billion worth of gold and shares in foreign companies. Iran also owned between \$8 and \$10 billion in movable and immovable property such as buildings, institutions and real estate abroad.

Iran exported more than 6 billion barrels of oil a day.

Yet Iran was not to be for anyone.

Iran can be said to have been the promised paradise that Khomeyni inherited.

At first the people rejoiced when Khomeyni came to power because his associates said in pulpits and in statements that "the wealth and sources of wealth in the country belong to the people and in a country like Iran, which possesses such great wealth, it should be fairly distributed among all individuals."

The people have not forgotten what Ayatollah Beheshti said in Tehran a week before Khomeyni came to power: "Our country is not Pakistan or Somaliland. Our country is one of the richest in the world. Why do people have to pay water, electricity and telephone bills? Our Imam Khomeyni ordered me to tell you that from today on you will not pay these bills and, God willing, when the Islamic Republic is established, we will knock on your doors and give you your share of the country's wealth every month. And our government will also exempt the people from paying taxes."

Khomeyni came and his guards knocked on the doors of houses not to give the people their share of the country's wealth but to arrest them and kill them.

The first thing Khomeyni did was to purge the ministries, mills, factories, research centers, universities, army and police of the experts, trained and capable persons.

During the first few months more than 400,000 of our best youths, graduates of European and American universities, were ousted on the charge of cooperating with the shah's regime and adopting Western ideas.

Then came the turn of the politicians, nationalists, and liberals. This was followed by the removal of sympathizers with such radical groups as the Mojahediye Khalq and Feda'iyeh Khalq.

They recently got rid of the communist sympathizers. Thus were driven out all the competent persons who directed the industrialization of Iran.

Khomeyni said frankly: We don't need industries. Here are some official figures published in the regime's newspapers.

For example, the output of Peykan cars declined to 90 percent [as published]. Instead of manufacturing cars, starting last year two-thirds of the Beacon plants were assigned to the production of coffins for the individuals sent by Khomeyni to the battlefields to liberate Karbala'!

This is the situation in a major industry of Iran. As for agriculture, Iran used to import 45 percent of its food and farming requirements until 1975. When Khomeyni came to power, one of his main slogans against the shah was "the shah destroyed our agriculture in the interest of Israel and the United States and since we need American wheat and Israeli milk, how can we fight them?"

Now, after 4 years of Khomeyni's rule, Iran imports 95 percent of its food and farming requirements, even meat and rice which we used to export. We now import huge quantities of these foods from New Zealand and India.

Now after 4 years of the disaster, the Khomeyni regime has begun to change its policies on industry, agriculture and the modern sciences.

For example, Iranian newspaper publish pictures showing that work is continuing on the nuclear reactor project, Chah Bahar naval base and Bandar Shahpur petrochemical project.

We must ask whether the mentality of the Iranian rulers has changed. How can Khomeyni order the people to sacrifice and back his regime in completing industrial and agricultural projects when he sent his guards to the Chah Bahar naval base in Baluchistan at the beginning of his rule to set fire to all the equipment, machines and electronic gear because they were made by the Satan in the West?

How can Khomeyni order the people to offer their wealth as their contribution to the completion of the petrochemical complex in the port of Shapur (now Khomeyni port) when his helpers burned this great industrial complex at the beginning of his rule?

Now, 4 years later, Khomeyni and his helpers are forced to seek the assistance of those technically qualified people whom he removed from their positions when he came to power. But no one so far has responded to Khomeyni's appeal for the simple reason that during the last 4 years more than two-thirds of the experienced, qualified people with degrees in science fled from Iran and those who haven't fled yet do not trust the ignorant mainstays of the regime who don't know the difference between a PhD and a BMW.

For example, how can an Iranian engineer who graduated from the most modern science center in Europe deal with a minister of industry who was a youngster working in a grocery store before Khomeyni came to power?

How can a university professor teach in a Tehran University that is controlled by someone who was a member of the Jutuwat gang in Qazvin 5 years ago and is now president of the university because he is close to Mohsen Reza'i, commander of Khomeyni's guard?

The people's hatred of the regime is another factor to be considered.

Here is a regime that possessed a treasury that was loaded with money 4 years ago and then plundered, stole and squandered it to export the Khomeyni disaster, plot against the Iranian people and peoples of the region, and buy instruments of suppression and torture. How can this regime now carry out industrial projects when the country's treasury is empty and the people are hungry as scarcity and high prices spread throughout the country accompanied by the odor of death and destruction?

Since we began with an account of Montazeri's meeting with a group of trained persons and university graduates, we must conclude with another account of the condition of the Iranian people.

Three weeks ago a mission from the Iranian Ministry of Health arrived in London to meet with Iranian physicians living there and urge them to return to Iran to work in the hospitals, which are filled with war casualties and people suffering from a variety of diseases, especially mental disorders due to the practices of the Khomeyni regime.

More than 30 physicians attended the meeting with the ministry's representatives in the Hotel Gloucester. At the beginning of the session a member of the mission named 'Abbasi stood up and said: "Esteemed doctors, I am the director general of the Ministry of Health and I came to London to bring you special greetings from the Imam and to tell you that the people need you. You must return to your homeland. We will pay you excellent salaries and give you private cars and magnificent houses. Could you want anything more than that?"

One of the physicians stood up and said: "Mr Director, I want to thank the Imam and you for the respect you've shown us. We were touched by your words and would like to know more about you and your previous experience before responding to your invitation."

The director immediately replied: "My name is 'Abbasi and I am a member of the Revolutionary Guard and a fida'i of the Imam. I became the director general of the Ministry of Health because of my experience in the field of medicine--I worked for many years as janitor in a pharmacy."

The meeting ended but no one has as yet responded to the invitation of the director general with his many years of experience as a janitor in a pharmacy.

Khomeyni asks: "Were there automobiles and airplanes in the Prophet's time?" While asking the question Khomeyni was sitting near an air conditioner, traveling about in a helicopter, and riding through the streets in his Mercedes at the same time that he was depriving the people of the use of these conveniences. The poor people have to live like the Muslims lived in the early days of Islam.

During the last 4 years 75 percent of the mills and factories were closed and the productivity of the existing mills and factories declined to 80 percent.

5214

CSO: 4604/32

NAVY PERSONNEL REPORTEDLY EXECUTED

London AL-DUSTUR in Arabic No 293, 4 Jul 83 p 27.

[Article: "Background of Execution of Commander-in-Chief of Iranian Navy]

[Text] After the execution of Nureddin Kiyanuri, secretary general of Tudeh, the Iranian Communist Party, which was not disclosed by the Iranian regime until after it was publicized by the press and world news agencies, the British DAILY TELEGRAPH on Saturday 25 June 1983 published the news of the execution of 39 high-ranking Iranian officers on the charge of having relations with the Communist Party.

Heading the list of these officers was Capt Bahram Afdali, former commander-in-chief of the Iranian Navy, and Army Colonel Rahimi. It is worth noting that Captain Afdali was the commander-in-chief of the Navy until last 30 April when his name suddenly and without explanation disappeared from the Iranian press and a few days later it was officially announced that Khomeyni approved the appointment of Naval Capt Esfandiyar Hoseyni as commander-in-chief of the Navy without any reference to the fate of Captain Afdali.

News of the arrest of Afdali appeared together with other news from Tehran indicating that two of Afdali's aides were behind the rumor of his execution. The authorities soon had these two officers arrested; their fate is still unknown.

An individual familiar with the game played by the Iranian regime and aware of Afdali's relationship with Khamene'i says: "Rafsanjani is trying to extend his grip to the Supreme Defense Council, one of the most important military power centers in Iran, and place military men loyal to him in leadership positions in view of the support given Khamene'i by Chief of Staff Maj Gen Zahir Nejad and former Commander-in-Chief of the Navy Captain Afdali. However, Rafsanjani was unable to accomplish what he wanted and therefore began to plot against him. Afdali was the first victim."

This means that Rafsanjani is close to possessing absolute power.

We must now await Khamene'i's response. If he can deliver a blow equal to the blow of losing Afdali, he will be in a position to make his power equal to Rafsanjani's.

However, if Rafsanjani is able to liquidate Zahir Nejad, he will have unparalleled power, thus realizing the dream of the man who told an Iranian historian 2 years ago: "The Safavids ruled Iran for 3 centuries. What is to prevent us ayatollahs from ruling for 3 centuries too?"

It appears he is still dreaming. A long-term dream like this is the strongest proof that he slumbers as long as he dreams.

5214

CSO: 4604/32

GOVERNMENT ACCUSED OF GIVING IN TO INDIAN DESIGNS

Rawalpindi HERMAT in Urdu 16 Jun 83 p 5

[Editorial by Zhad Malik: "Why Pakistan Suffers From Inferiority Complex"]

[Text] Following his 4-day stay in Pakistan, Indian Foreign Minister Mr Narasimha Rao has returned to India. According to him, he was "satisfied" and "happy" with the Islamabad talks and their results.

If along with the feelings of satisfaction and gratification the Indian foreign minister had also felt a sense of triumph (as he probably did) at the surprising progress made by the joint Pakistan-India Commission toward establishing "friendly relations" between the two countries, he would have been fully justified. The Pakistan-India Commission was created in accordance with Indian wishes and designs, and New Delhi's objections outlined in the nonaligned summit conference.

We have always extended unswerving support to every effort of the Pakistani government to normalize relations with India. We fully support the idea that Pakistan and India should forget their past bitterness and live amiably as good neighbors. That is why, when the Pakistani Government made India the offer of a nonaggression pact, we welcomed it. But the manner in which New Delhi completely ignored the nonaggression pact offer and went about achieving a peace treaty to suit its own wishes and well-laid plans made us write:

"The plain (and true) meaning of this agreement is that without settling tense issues and without achieving a nonaggression pact with India, Pakistan has cleared the way for Indian friendship (or Indian supremacy?)." No 14, 18-22 March 83.

Our fears have proved to be correct. When the Indian foreign minister came to Pakistan he made it clear right at the airport that "Since we don't have much time, we will not be able to discuss the nonaggression pact or any other problems." And furthermore: "As far as the Kashmir issue is concerned we will in any case stick to our stand." A few days before the minister's visit, the Indian press and the prime minister herself put intense pressure on Pakistan and began to belabor it with threats. As it is, India, while sticking to its stand on Kashmir and other issues, has through the instrumentality of the Pak-India Commission, achieved all those advantages it had been impatiently seeking for years.

According to the joint communique, the Pak-India Commission has agreed to strengthen cooperation and relations in trade and industry, transportation, culture, postal service, health, science, technology and several other fields. Now the report of the commission will be sent to the two governments for the necessary action. Clearly, the two governments will accept the recommendations. Indeed, the process of submitting the proposals to the governments is little more than a formality.

Even as Pakistani President Gen Mohammad Ziaul Haq himself has often stated, the Kashmir issue is an obstacle between Pakistan and India. In view of these assertions of the president, one might ask the Foreign Ministry what kind of obstacle Kashmir is that despite it, preparations are now afoot to bring the two countries closer and make Pakistan a market for India?

We cannot help remarking that the manner in which our officials kowtowed to the respected guest and the way they acquiesced in every Indian demand made it clear that our officials suffer from an inferiority complex vis-a-vis India. But let these officers who are used to holding conferences behind closed doors remember that although the Pakistani people definitely desires friendship with India on the basis of equality and principles, they will not submit to Indian supremacy in any form.

12286

CSO: 4656/217

ANALYSIS OF MRD'S CIVIL DISOBEDIENCE MOVEMENT

Rawalpindi HURMAT in Urdu 16 Jun 83 pp 14-17

[Report prepared by HURMAT Bureaus in Lahore, Karachi, Multan and Peshawar]

[Excerpts] It is an open secret that Begum Bhutto and Benazir Bhutto distrust the political activities of [Ghulam Mustafa] Khar. On the other hand, Mr Jatoi has surpassed himself in his support of Khar. Similarly, it has been learned from informed sources that the People's Party [PPP] leaders who helped give luster to the tour of Gen Ziaul Haq have been dismissed from the party, thanks to the efforts of the Bhutto women. Despite this, Mr Jatoi, a few days before leaving for abroad, issued a mild statement about these individuals. These events are interpreted as signalling the progress of Mr Jatoi's rebellion against the Bhutto women.

It is believed that during his current visit abroad, Mr Jatoi will meet Begum Bhutto and do some plain talking with her. It is also possible that he will place before Begum Bhutto some points on behalf of a certain PPP lobby, and might also try to dictate terms to her. It should be remembered that two other leaders of the People's Party, Mumtaz Bhutto and Abdul Hafiz Pirzada have already decided to go their own separate way. Before going abroad, they held talks with G.M. Sayyed and Pir Sahib Pagaro in this connection. They regard Begum Bhutto and Benazir Bhutto as the biggest obstacles in their path. It has been speculated that after returning from abroad Mumtaz Bhutto and Pirzada will begin action on their new policy.

Now that MRD is already numerically weak, it is likely to lose another comrade. That element of the People's Party that favors pragmatic thinking and desires the safety and security of the nation has begun efforts to separate itself from the so-called movement. According to some sources, those PPP elements who do not believe in the politics of revenge and for whom the security of the nation is more important and crucial than power have started to form themselves into a distinct group. It is learned that the very day the points [MRD's 31 points] were announced, certain elements had predicted defections. But these predictions were dismissed by dishonest and selfish politicians. In this connection, the most interesting thing is that MRD has announced the launching of a civil disobedience movement starting 14 August. One wonders in this situation, when the MRD suffers from a serious crisis and when its intentions are

known and have been rejected by the majority of political parties, what is the point of starting a civil disobedience movement? Moreover, when a movement is already viewed with suspicion by the masses, how can it succeed, especially if the movement originates at a singularly inappropriate time when the president of the nation is about to announce a new political structure? One despairs of discerning the issues involved and it is hard to reach any conclusions. If we examine this announcement of civil disobedience movement more closely we will discover that it is all a play, albeit a serious play, in which every character, considering his age and experience, is not imaginary but real. Every movement in the world progresses from a beginning to an end. But in the case of MRD, its beginning is also its end. In other words, the origin of the movement will also be its culmination. Knowledgeable circles attribute the ill-timing of the MRD announcement to a well-planned conspiracy. This view gets support from certain other aspects of the movement. For instance, to start any movement a contact has to be established with the masses and to do this a certain pattern has to be followed. It is imperative for the leaders to take up a positive program on which all elements are agreed and united so that they can participate in the struggle whole-heartedly. But in the case of MRD, the situation is completely different. People are cut off from the leaders. They are unhappy with the 31-point program. Under these conditions, what group will heed this untimely call for civil disobedience? The mind is distracted and confused. This is why one group views MRD with suspicion and believes that Khawaja Khairuddin and other leaders of the movement are acting at the behest of and according to specific designs of someone. Indeed, the purpose of the MRD movement, which is not 100 percent but 200 percent doomed to failure, is to demonstrate that the joint struggle of eight parties was utterly unsuccessful in mobilizing any kind of public support. It looks as though reality is something like this. And why not, when all indications are present and one has the feeling that behind the scenes there is a brain under whose directions veteran politicians are acting blindly. No one cares what effect these political trends will have on the common man and what form public reaction will take. According to our information, internal crises in MRD, its untimely and frivolous policies, are all leading to the formation of a new political group. This group will include Jamaat Islami, Jamaitul Ulema-e Pakistan, the Pakistan Muslim League, Tarik-e Istiqlal, the PDP [Pakistan Democratic Party] and Jamiatul Ulema-e Islam. Mr Mushir Pesh Imam has had preliminary talks with Asghar Khan.

Through his talks with S.M. Zafar, Mr Fazul Rehman has taken matters further. Similarly, Rana Zafarullah and Arshad Chaudhary of PDP have been very active. It is quite possible the coming months might witness the beginnings of a process that will eventually result in the polarization of national political parties into right-wing and left-wing groups.

The question now remains whether the sagacious leaders of MRD are aware if by the time the civil disobedience movement begins they will be able to maintain their public standing or not. And what will remain of their popularity among the masses? Our understanding is that the talk of restoring democracy through civil disobedience will be no more effective than other such attempts in the past.

NOTED ECONOMIST SUGGESTS SCRAPPING OF SIXTH PLAN

Islamabad THE MUSLIM in English 23 Jul 83 pp 1, 8

[Article by Ashraf Hashmi]

[Text]

ISLAMABAD, July 22: Dr. Mubashir Hasan, a former Federal Finance Minister and a renowned economist, strongly opposing the developmental strategy and the philosophy behind the Sixth Five-Year Plan has described the plan as an attempt to keep the country perpetually dependent on foreign loans.

Addressing members of the National Press Club today on the Sixth Five-Year Plan, Dr. Mubashir said, the plan was conspicuous in its failure to draw upon opportunities for development available within the country and in the region. Instead, he said, the Plan chose to place the task of the country's economic development in the hands of forces known for their exploitation of the poor nations for over two centuries.

The main problem with its planners, he said, seemed to be a lack of faith in the destiny of the country. 'The lack of faith tends to restrict vision and lack of vision is a serious handicap in creative planning', he remarked and demanded that in view of the situation there was no course open except to revoke the present plan and prepare a new one on sovereign, nationalist and emancipated lines.

Maintaining that the plan was only aimed at giving away the national wealth rather than enhancing it Dr. Mubashir warned that it would not promote national integration in any way but continue the slide towards uneven development with all its adverse political consequences.

Vehemently criticising the fiscal policies of the government and

the agreements signed by it with the IMF and the World Bank, he said, these two institutions had completely chained the national economy. The agreements, he claimed, had restricted the right of Pakistan fix charges of electricity, gas, urban water supply, irrigation water, railway freights and passenger tariff etc. He said because of these agreements Pakistan was no longer free to determine the prices that should be paid for plants of fertilisers and to the operators of gas and oil fields. By virtue of the undertaking given to the World Bank and the IMF, Pakistan, he said, had lost the right to establish new public sector industries or to expand the existing one.

Even the right of the Federal and provincial governments to borrow from the State Bank, he said, was restricted and Pakistan's power to fix the limits of the lending by Pakistani banks was curtailed. Any nation in such a situation, he added, loses for all practical purposes chunks of its sovereignty and as such its independence becomes a myth.

He said once foreign powers acquire leverage in economic matters they never fail to make use of it for political ends, they not only direct economic but also political policies of a country. In fact, he said, in the past they had been able to do more—overthrow governments.

He said the devices to secure compliance of their political objectives out of economic levers have in the past been freely used by the United States in the case of Pakistan. The details, he added, were not available of the present situation, but the U.S. and its allies must be making many political demands on Pakistan at the present time. There

has been speculation in the Press on at least one vital question, according to which, he said, the U.S. and its allies wanted Pakistan to take more time to conclude negotiations for a political solution of the Afghanistan problem.

Dr. Mubashir said the World Bank and the International Monetary Fund had assumed the role of the chief economic policy makers for the poor Third World countries. The teams of IMF and the World Bank, he said, visit Pakistan on regular basis and inspect all relevant records and get all the reports and information about economic and political situation in the country. He said often they knew more about our economic situation than any one single agency of our own government. He said in the name of Extended Fund Facility of nearly 1500 million U.S. dollars approved in 1980 over a period of three years the IMF was finally able to achieve what it was desperately trying for the last so many years — a complete hold on Pakistan economy.

A process of structural adjustment was initiated under the programme and the country was told as how to make changes in its policies concerning Industry, agriculture, energy, prices, savings and investment. He said the changes therein made by the country were fully reflected in the policies of the Sixth Five Year Plan. He said there was no discernible demand from those in the government or outside to carry out any important change in the policies of the Fifth Five-Year Plan. The government had five years to make any change if it wanted to. Thus the change from the policies of the Fifth Plan to the policies of the Sixth Plan, he added, were attributed to the IMF and the World Bank and this gift was brought by our present Minister of Planning.

Dr. Mubashir Hasan answering a number of questions said that both the monetary institutions had not been able to influence the policies of his government. He also pleaded for close economic co-operation with India and Afghanistan and said it would be highly beneficial to the country.

JI SUPPORTS ELECTIONS ON SEPARATE ELECTORAL BASIS

Islamabad THE MUSLIM in English 23 Jul 83 p 8

[Text]

KARACHI, July 22: Mian Tufail Muhammad, Amir defunct, Jamaat-e-Islami has called for the holding of election on separate electorate and proportionate representation basis.

Speaking at a Jumma prayer gathering here today, he said it was imperative for the enforcement of Islamic order in the country that the representatives of Muslims should be elected by the votes of Muslims.

He said to save the country from capitalists, imperialists, Waderas and unprincipled politicians, it was necessary to cast votes to the parties instead of individuals and due consideration should be given to the votes of the majority of the people.

Under the prevailing system, he said, a candidate who secures only 22 per cent votes is elected, irrespective of the fact that 78 persons are against him.

Mian Tufail said if we want to

enforce Islam in the country, our candidate should at least have some knowledge of Islam, they should not be traitors of Islam and we can rely on their character.

The need of the hour, he said, is the unity of the religious sections and religious parties. He criticised the religious parties, who are prepared to cooperate with the non religious groups, quoting that Devbandi followers can not affiliate with barelvis, but openly support non religious groups.

Mian Tufail said Muslims are one Ummah of the Prophet (peace be upon him), our Qibla is one, our Quran is one, but we are segregated in a hundred factions.

Religious groups, he said, are more interested in politics than the welfare of Muslims and the result of this communal feeling is that Muslims are being slaughtered everywhere in the world.

He said the religious groups must adhere to the moral principles and stop blaming each other, because, he added, such differences in our ranks are the real handicaps in our development. PPI

CSO: 4600/797

PDP CRITICIZES PPP FOR DECISION ON LOCAL ELECTIONS

Islamabad THE MUSLIM in English 23 Jul 83 p 8

[Text]

LAHORE, July 22: Defunct Pakistan Democratic Party is showing almost indifference towards the decision of defunct Pakistan Peoples Party to take part into local bodies elections and observed that the decision would have no direct bearing on the MRD mass movement to be launched from August 14.

Chaudhry Mohammad Arshad, Acting President of defunct P.D.P. told "The Muslim" on telephone today that no political party in MRD should oppose PPP decision since it was their internal affair. He, however, expressed his surprise as to how a party having a "bitter experience" of the past could resolve to again undergo the similar action.

Chaudhry Mohammad Arshad said that six out of eight political parties forming the MRD have already decided not to

participate in coming local bodies elections. The only MRD party which have decided to take part is PPP whereas Tehrik-i-Istiqal (defunct) decision was still awaited. It would be in the benefit of the political alliance and the national consensus that PPP review its decision which was causing damage to its own ranks.

The defunct P.D.P. chief, nevertheless, said that all the political parties are struggling for restoration of the 1973 Constitution and suggested that local bodies elections and similar other matters were supra-constitutional acts. Since PPP has resolved to take part in local bodies elections it might also decide to participate in assemblies elections under the forthcoming political structure which would be clear deviation from the 1973 Constitution, he observed.

CSO: 4600/797

PPP'S DECISION ON LOCAL ELECTIONS DEFENDED

Islamabad THE MUSLIM in English 23 Jul 83 p 8

[Text]

LAHORE, July 22: Rana Shaukat Mahmood, Secretary defunct Pakistan People's Party Punjab, while defending the party decision of taking part in the local bodies elections said the Steering Committee's resolve came after full deliberations on the issue and "nothing better than this decision could be made."

Talking to "The Muslim" this morning, he said, despite Begum Bhutto's mandate the members of the Steering Committee weighed all the pros and cons of the issue and gave their opinion independently and freely. The ultimate decision was that the PPP should not deprive the people of their exercise of voting right as the party always stood for a political process.

Dilating on the point, he said, basis of the party struggle has been democracy and political process, for which it rendered invaluable sacrifices. He was certain that in case Begum Bhutto disapproved the idea of taking part in local bodies election people at large would have boycotted the election but asking people not to exercise their right of vote "is contrary to our party philosophy".

CSO: 4600/797

IMPROVING TRAVEL FACILITIES BETWEEN INDIA, PAKISTAN EXAMINED

Islamabad THE MUSLIM in English 23 Jul 83 p 4

[Article by Salahuddin Mirza]

[Text]

Most Pakistanis, specially those of divided families on both sides of the border, were looking forward to the first meeting of the Indo-Pak Joint Commission which eventually took place from 1st to 4th June, 1983, at Islamabad. The text of the Commission report as published in the newspapers of June 6, 1983, was, to say the least, very dis-appointing and gave the impression that the real problems facing the two countries and their people in the fields of trade, commerce, education, culture and sports, and even more in the field of human sufferings, have not been tackled and were not even discussed. The result is that an average citizen is dis-appointing.

At the commencement of the meeting of the joint-commission it was agreed to appoint four sub-commissions to deal with the various subjects. The first was to deal with economic, health scientific and technological problems including those of agriculture, communication and industries; the second was to deal with trade between the two countries; the third was to deal with information, education, social sciences and culture and sports whereas the fourth sub-commission was to deal with travelling, tourism and consular matters.

In this regard, it appears that there was room for a fifth sub-commission to deal with problems concerning those with divided families. It is no secret that after

independence there was an unprecedented migration of population from one country to another. In many cases entire families could not migrate and this gave rise to split or divided families. It is but natural that they desire to visit each other and keep alive family links. It could never be visualised at the time of independence that such rigid barriers would be created between the two countries. It is common that persons on one side of the border find it difficult to visit their relatives on the other side, sometimes even on the occasions of death and marriage. The huge rush at Indian Embassy in Islamabad and Pakistani Embassy in Delhi is a living proof of this human tragedy.

The 5th sub-commission could have made an in-depth study of these problems. Perhaps everyone knows that similar human conditions exist in almost all the European countries but the citizens of no country find it impossible or difficult to meet their relatives across the border. It is incomprehensible as to why an iron curtain should exist between our two countries, political differences notwithstanding.

The report says that an agreement had been reached in principle for passengers from either country to be afforded the facilities of purchasing Railway tickets from the point of entrainment in one country to the point of de-trainment in the other. This item has been flashed in the report as if the commission had thought of a novel idea. This is actually not so. As late as 6th September, 1965, this facility was available. Even more than that, it was possible for passengers,

till 6th September, to purchase return tickets provided the return trip was concluded within 15 days. The agreement of the joint-commission on this point does not even restore the status-quo ante which existed between the two countries till 6th September, 1965, because the agreement does not envisage the facility of purchasing the return tickets.

At present, passengers travelling by Railway from Lahore to various destinations in India can purchase railway tickets from Lahore only upto the border station of Attari. On reaching Attari they must purchase fresh tickets for travelling onward.

It is indeed a welcome step that the facility of purchasing direct tickets from Lahore upto the station of destination is being restored. However the feasibility of restoring the facility of purchasing return tickets should also be examined and while doing so the limitation of 15 days should be eliminated. No limit should be fixed for this purpose and if at all there should be some limit, it should be at least 3 months.

It has also been stated in the report that the customs and immigration formalities in respect of Pakistanis going to India would be conducted at Amritsar instead of at Attari as at present. This is, again, not a new idea since previously also customs and immigration formalities were performed at Amritsar. It was only recently when the railway link with India was restored that customs and immigration work was shifted to Attari.

The commission in its subsequent parleys should not only restore the facilities available to first class passengers but even extend them to the lower-class passengers.

There is also no mention in the report whether there will be through bogies between Lahore and Delhi and Lahore and Calcutta as was the practice previously. This aspect may also be considered in the next meeting because changing trains at Amritsar is at any rate a very inconvenient experience and there is no reason why it should not be done away with when there is no real hinderance in doing so.

Those travelling by road between Lahore and Amritsar via Wagah border have to travel the no-man-land on foot with their bag and baggage. Perhaps the commission could look into this problem and find ways and means to do away with the services of the coolies. Small trollies available at airports or at various five-star hotels may be introduced by the two countries as a joint venture, to

enable the passengers to haul their own luggage.

It was heartening to note that postal rates are being reduced. At present they are prohibitive. An ordinary envelope costs Rs. 3. Reduction shall be greatly appreciated by the affected persons. However, it may again be noted that upto 1965 there were no special rates and Indo-Pak mail was treated as local mail and not as foreign mail and the postal rates as applicable within India or Pakistan were applicable to destinations in the other country. Infact, the commission should re-consider whether the inland postal rates could not be again introduced between the two countries on a reciprocal basis.

The report also refers to various measures which the commission took into consideration to provide travel facilities between the two countries. However, the greatest measure of them all, i.e. opening of the Khokhrapar route does not find any place in the report. There is no rationale to the fact that there should be only one route connecting the two countries - the Lahore-Amritsar route. One route causes great rush which in turn results in inconvenience to both the passengers and immigration and customs staff. Reason demands that all the available railway and road links between the two countries should be restored, including the one between Pakpattan-Fazilka via Head Sulaimanki. At any rate, the railway link between Kokhrapar and Munabao deserves special attention for the most important reason that most of the travellers from Pakistan to India go from Karachi and Sind and for them Kokhrapar-Manuabao route is ten times more convenient and less expensive and less time consuming than the Lahore-Amritsar route.

The visa system between the two countries is unique in the sense that visa is granted in respect of specific cities whose number is usually restricted to three. This is an undesirable practice from all angles. Visa between the two countries should be just for India or Pakistan with no mention of cities, just as in the case of visa in respect of the rest of the countries of the world. At worst, a person may be required to report his arrival or departure to some appropriate authority at every place he goes. The commission would be well advised to take this item as well in the next meeting would be well advised to take this item as well in the next meeting.

DELINKING OF RUPEE BENEFITS OVERSEAS WORKERS

Islamabad THE MUSLIM in English 23 Jul 83 p 3

[Text]

ISLAMABAD, July 22: The decision of the Government to delink the rupee from dollar and tieing it to a basket of currencies, besides inflating the foreign exchange reserved of the country has also considerably benefited the overseas workers and their families, who since the enforcement of the decision, are receiving 30 per cent more rupees against the same amount of dollar remittances.

It is estimated that out of roughly 2 million workers abroad, 80 per cent belong to the low-income families in the rural areas. Given our system of extended family ties, the members benefiting from home remittances might be quite large. This phenomenon, coupled with the consistent policy of gradually adjusting wages and salaries in line with the impact of changes in prices, has been instrumental in raising the standard of living both in the rural as well urban areas.

As per conservative estimates, about 1.5 million workers moved abroad in search of jobs during the last 5 years which represented 30 per cent of the addition to the labour force during the period. This has helped to maintain the employment situation at a satisfactory level during the period and has also been a factor in maintaining real wage rates above the level witnessed in and around the region. —APP

CSO: 4600/797

END